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# Simpson Juror Lays Acquittal to Weak Case, Not Race

LOS ANGELES - A former Black Panther on the jury — the man who gave a black power salute when the trial was over — said it was not race that swayed the panel to acquit O. J. Simpson. It was the weakness of the prosecution's case, he said.

After 126 witnesses, 1,105 pieces of evidence and 45,000 pages of testimony, the juror, Lionel Cryer, asserted that what mattered were the holes jurors kept finding in the prosecution case.

Another juror, Brenda Moran, who is also black, said Wednesday that she believed the evidence incriminating Mr. Simpson in the murders of his former wife and a friend of hers had been planted.

"Mr. Simpson was not guilty," Ms. Moran said at a news conference. "It was not proven. I did not have en high evidence to convince me that he was guilty."

Rebuffing suggestions that the jury had rushed to

judgment — taking less than four hours to weigh nearly nine months of testimony — Ms. Moran said jurors had ample time to consider the facts and had no need for lengthy deliberations.

"We had nine months to weigh the evidence so we knew," Ms. Moran said to reporters clamoring for details. "It didn't take us nine more months to figure it out. We're not that ignorant."

For Mr. Cryer, the former Black Panther, who gave his account earlier in an interview, "It was garbage in. garbage out."

There was a problem with what was being presented" to prosecutors for testing from the Los Angeles Police Department, he said. "We felt there were a lot of opportunities for either

contamination of evidence, samples being mixed or That summed up the panel's "whole mode of think-

ing" soon after the 10 women and 2 men — 9 blacks, a Hispanic and 2 whites — entered the deliberations room Monday morning, Mr. Cryer recounted.

As they walked into that room, he continued, the words of Dr. Henry Lee, a noted forensic pathologist whom Mr. Cryer said the jury viewed as "the most credible witness" of all, reverberated in their heads. According to the juror, Mr. Lee said, "There is something wrong here."

"He had a lot of impact on a lot of people," Mr. Cryer said. "A lot of people were in agreement that there was something wrong" with the prosecution's

Most jurors tried to leave the downtown courthouse quickly only to discover that their homes had been staked out by hordes of reporters. Remaining behind to be interviewed was Mr. Cryer, a marketing representative for a telephone company.

the most part without acrimony or the racial tensions that many feared would tear them apart.
He said the 12 panelists began deliberations igno-

rant of each other's views about the guilt or innocence of Mr. Simpson,

"A lot of people thought we already had our minds made up," he said. "That was definitely not the case." The morning began with the court clerk. Deirdre Robertson, rolling in a cart laden with the scores of exhibits that had been paraded before the panel over the last nine months.

Looking at that cart, Mr. Cryer recalled thinking.
This is going to take a long time."
But by 10 A.M., less than an hour after they began, they elected to take a straw vote. The secret ballots, collected in a jar, tallied "10-2, not guilty," he said. He

See JURY, Page 6

# 'I Haven't Had Chance to Grieve,' Simpson Says of His Former Wife

LOS ANGELES - O. J. Simpson professed his love for his former wife Wednesday, a day after a jury acquitted him of killing her.

Experiencing his first full day of freedom after 15 months in jail, Mr. Simpson said in an interview that he needs time to grieve for his former wife, Cable News Network reported.

The former football star was quoted as saying in a phone conversation with a CNN producer that he was happy about his acquittal Tuesday in the June 12, 1994, slayings of Nicole Brown Simpson and her friend, Ronald L. Goldman.

"But I haven't had a chance to grieve," he said. "Yesterday there was a festive mood at the house, but at the same time my kids don't have a mother. People don't seem to understand that I loved that wom-

A family spokesman said Mr. Simpson was "very tired" and was resting at his house in the Brentwood section of Los Angeles. Camera crews and news photographers massed outside with stepladders and telescopic lenses.

"He's just pleased to be sleeping in his

O.J. Simpson's financial prospects are looking good. • One of his lawyers says playing the 'race card' was wrong. Page 6.

own bed instead of in a 7-by-9 foot jail cell," Bob Kardashian, his longtime friend, said after an all-night homecoming cele-bration at Mr. Simpson's estate.

Mr. Simpson was reported to have made contact with his children — 7-year-old Justin and 9-year-old Sydney — and their maternal grandparents hinted that they might yield custody without a fight.

# Verdict Exacerbates the Tensions Roiling L.A. and Its Police Force

By Kenneth B. Noble New York Times Service

LOS ANGELES - Many conflicting forces are likely to have combined in the acquittal of O. J. Simpson, but perhaps none has loomed larger than the role of the Los Angeles Police Department.

Nearly four years after the convulsions, turmoil and fear that followed the beating of the black motorist Rodney G. King, the police are still considered an occupying force in large segments of the community. And the not-guilty verdict in the Simpson trial, many fear, is likely to fortify that

While in a narrow sense, the Simpson case was simply about whether the wealthy and charming athlete killed his former wife and her friend, many Angelenos suggested that the jurors ultimately cast their vote on the very fate of this sprawling city's social

What makes Los Angeles different from, say, New York or Chicago is that since the Rodney King trial, many people — black and white — feel that the issue of race has so tainted the prism through which people view their neighbors that there is no longer any common agreement on the issues that face the city, never mind how to solve them. Suspicion and fear have infected the political climate here like a deadly virus.

Around lunch tables, over barber chairs, in offices and movie studios, in Koreatown restaurants, on the streets of the South Central area, the main questions are these:

Will the verdict of not guilty exacerbate still simmering ethnic and racial tensions? Has anything changed since the convul-sions after the Rodney King case? Has the city learned anything from the Simpson

"A lot of people will pay the price for O. J.'s freedom, because there's no question there will be a backlash," said Susan

### **NEWS ANALYSIS**

Estrich, a law professor at the University of Southern California.

reform the criminal justice system and reexamine things, and the whites will end up blaming the blacks, and the blacks will end up blaming the whites and everyone will blame the police and the system," Ms.

Susan Grigsby Gates, a Los Angeles writer and newspaper columnist, also sug-gested that the verdict could inflame whites hostile and resentful of blacks. She recalled how she was sitting next to a black man when the Simpson acquittal was announced, and he turned to her and said, 'Oh boy, we're going to have to pay for

She added, "A lot of the angst surrounding this centers on the fact that nine of the 12 jurors are African-American, and the assumption is going to be drawn from this

that they simply let him go."

Nonetheless, the feeling among many blacks here was that the jury had achieved

"There will be a tremendous effort to

See POLICE, Page 6



POPE IN AMERICA - John Paul waving to a crowd Wednesday in New Jersey as he began his U.S. visit. Page 3.

# **Barings Trader to Stand Trial in Singapore**

By Richard W. Stevenson
New York Times Service

LONDON - A German court ordered Wednesday that Nicholas Leeson, the trader whose \$1.35 billion in losses brought down the British investment house Barings, be extradited to Singapore to face criminal charges in the collapse.

Rejecting Mr. Leeson's arguments that he would not receive a fair trial in Singapore, where he was based as a derivatives trader for Barings, the regional high court in Frankfurt ruled that he should be sent to the Asian nation to face 11 charges of fraud, forgery and breach of trust.

Further legal maneuvering will probably delay Mr. Leeson's extradition for a month or two at least. He has been in prison since March in Germany, where he was arrested

hide his trading losses and that he misled Barings executives at the firm's headquarters in London as his losses mounted.

But he and his lawyers have sought to have him extradited to Britain instead of Singapore, saying that he could face unduly harsh punishment in Singapore and that the full story of the collapse would come out only if he were tried in London.

Mr. Leeson's German lawyer, Eberhard Kempf, said to reporters in Frankfurt that his client was unhappy with the decision but that "he has to live with it."

Mr. Leeson sought to tempt British prosecutors by hinting that he could implicate senior executives in Barings's downfall, and investigators from the Serious Fraud Office interviewed him at length

en route to his native Britain from South-east Asia six days after Barings collapsed.

Mr. Leeson has admitted that he tried to

Mr. Leeson has admitted that he tried to

A group of bondholders who lost a total of \$160 million in Barings's collapse is seeking to start a private criminal prosecution of Mr. Leeson in Britain, a highly unusual legal maneuver. If successful, the private prosecution could lead to Mr. Leeson's being returned to Britain to testify. But the effort is being opposed by British prosecutors and seems likely to fail.

The remnants of Barings were acquired by the Internationale Nederlanden Groep of the Netherlands, which later dismissed 21 executives who had direct or indirect responsibility for the operation in Singa-

The German government must still ap-See TRADER, Page 4

# NATO Jets, Targeted by Serbs, Strike Missile Sites

But U.S. Envoy Labels Bosnian Truce Plan As 'Serious' Proposal

Compiled by Our Staff From Disputches SARAJEVO, Bosnia-Herzegovina -

NATO warplanes struck three Serbian surface-to-air missile sites in Bosnia on Wednesday after the missiles' radar systems locked on to the aircraft, a NATO spokesman said.

The incidents marked the first time that NATO planes have been in combat over Bosnia since Sept. 14. just before air strikes against separatist Serbs were halted in exchange for a Serbian pledge to effectively lift the siege of Sarajevo.

There was no word on whether any missiles had been fired by the Serbs or what damage had been done to the missile sites

by NATO's planes.
The NATO strikes also came as Bosnian government officials made what a U.S. envoy, Richard C. Holbrooke, described as

a "serious" cease-fire proposal.

The diplomat began talks on the proposal in Belgrade with the Serbian president, Slobodan Milosevic, the regional power broker in the Balkans and the chief negotiator for Bosnia's rebel Serbs.

Mirko Pejanovic, an ethnic Serb on Bosnia's collective presidency, said the ruling

Nine elderly Serbs were massacred in a Croatian village, the UN says. Page 7.

body agreed Tuesday that a cease-fire accord should be concluded soon.

"Maybe the cease-fire won't be accepted today, exactly," he said. "The general opinion is, we could expect a cease-fire fairly soon.'

Jadranko Prlic, a Croat who is deputy prime minister of the Bosnian government, told the Sarajevo daily newspaper Oslo-bodjenje on Wednesday that resolution of the war may be near.

"I am not being an optimist," he said. "I am just really assessing the situation. In the next few weeks, we will have a definitive solution.

Aleksa Buha, foreign minister in the Serbs' self-declared state, told the Bosnian Serbian news agency that a cease-fire "could be signed on Oct. 20 in Washington." He did not explain the significance of

the October date.

NATO planes routinely patrol Bosnian skies to monitor a flight pan against the Serbs. Under the rules of engagement, the

aircraft are authorized to attack any radar that locks on to them. Western military sources said two of the incidents occurred Wednesday morning and the third in the afternoon. Two of the

sites were in central or western Bosnia and the third 20 kilometers south of Sarajevo. Serbian forces have a variety of surfaceto-air missiles, including portable and truck-mounted systems, both of which

have scored hits against NATO aircraft. The Russian foreign minister, Andrei V.
Kozyrev, condemned the NATO strike,
saying in Oslo that efforts should focus
instead on achieving a cease-fire.
In Washington, Secretary of State War-

ren M. Christopher, in some of his strongest language on the subject, said that Congress will effectively destroy the North Atlantic Treaty Organization if it blocks the Clinton administration's plans to commit U.S. troops to a NATO-led peacekeeping force in Bosnia. (Reuters, AP, LAT)

0-95

# In the Mists Off Taiwan, a War Is Ending

### Quemoy, Fortress Island in the Strait, Cedes to Logic of Business With China

By Patrick E. Tyler

HUXIA Taiwan - In the dead of night, especially when there is no moon, the boats from mainland China slip through the mists and into the waters of Kimmen, this fortress island once known to the world as Quemoy and still manned by thousands of Taiwan Army troops.

The intruders quietly leap on to the enemy beaches here and at Matsu Island to the north, working feverishly to disgorge their loads undetected. Then they slip

away, back into the night. In an earlier era, when artillery barrages were a fact of daily life and submarines and frogmen plied the waters on this side

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of the Taiwan Strait, it might have been a well-executed commando raid.

But these mainlanders were delivering the groceries, part of the large-scale though still illegal - commerce flourishing between old enemies in this longtime Though tensions are rising between China and Taiwan on the big issues of China's

sovereignty over what it considers a rene-

gade province and over Taiwan's push to

be seated at the United Nations, the war here is over. Where old enemies have been facing each other for four decades, where China's efforts to retake Quemoy and Matsu brought it to the brink of war with the United States in 1958, an extraordinary thaw is occurring. Old lines of trade are being re-established despite the continuing efforts of Taiwan's government to forbid contact between the residents here and the

"If the Chinese military came to this island, it would be to make money, not to make trouble," said Yang Zhongxing, 77, a veteran of the 45-year-old cold war with

mainlanders, who are determined to do

"No one cares about military or security matters anymore; they just want to make money and raise their children," said Mr. Yang, whose ancestors 18 generations ago settled in this small village on the north-western tip of Quemoy, now known by its

Chinese name as Kinmen.

Recent estimates indicate that 60 percent to 70 percent of the daily produce, fish and meat sold in the markets here are unloaded from mainland Chinese boats, in trade that is being encouraged by the Chinese authorities.

Even when mainland China this summer

fired ballistic missiles and conducted other military exercises to intimidate Taiwan, the locals hardly winced. "In the old days, when the artillery bombs came almost every day, we would sit down to dinner thinking this might be our last meal," said Huang Qingwen, a 66-

and wrapping his daily production of fine, "That was a real war," he said. "So why should we be afraid now when there is just some fake war with this testing of mis-

year-old noodle maker who was chopping

For more than four decades, this strategic outpost and the one on Matsu have signified the unfinished civil war that left China and Taiwan divided in 1949, with rival Communist and Nationalist governments, each determined to obliterate the

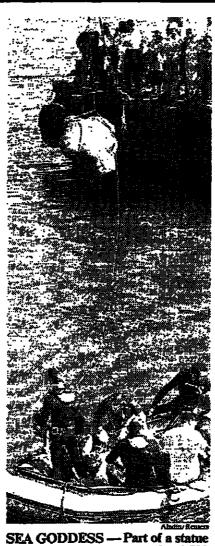
If Asia had a Berlin Wall, it was here. These islands were fortified as a barrier to contain the Communists and to protect the Nationalists, who had joined the Allies in World War II to defeat the Japanese.

General Chiang Kaishek, the National-ist leader who fled with most of his troops to the big island of Taiwan, ordered his commanders to hold on to Quemoy and Matsu because they represented strategic staging areas for a Nationalist counterof-fensive to retake the mainland. It was the counteroffensive that was

always promised, but never begun.

tens of thousands of Taiwanese troops See CHINA, Page 4

In the years that followed, a garrison of



that had been underwater for 1,500 years rising from the sea Wednesday off Alexandria, Egypt. Page 2.

### AGENDA

# Algeria Army Chief Said to Be Target

PARIS (Reuters) — A French de fense newsletter said Wednesday that the Algerian armed forces chief of staff General Mohammed Lamari, had es caped assassination three weeks ag when a car bomb failed to detonate his motorcade drove by. The newsletter TTU said the remot

the general's car passed near the De But Muslim fundamentalist guerri las raked the motorcade with automati gunfire and the army's quartermaster

controlled device failed to detonate

general, identified as General Ben Al was seriously wounded, it said.
Related article, Page 2

### Israel Postpones **Border Opening**

JERUSALEM (AFP) - Israe which was due to reopen its borde with the Gaza Strip and West Bank dawn Thursday, has extended the cle sure of the territories until Sunday, army spokesman said.

Israel sealed off the autonomou Gaza Strip on Sept. 20 and the Wes Bank last Wednesday, fearing Palestin ian fundamentalist attacks after Israe and the PLO signed an accord extending self-rule in the West Bank.

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# Waiting for the Dalai Lama in Western China

By Patrick E. Tyler
New York Times Service

USHAER, China - On a terraced hillside overlooking the gilded tem-ples of the remote Taer Monastery here in western China, a young monk implored a visitor: "Would you please send me a photograph of the Dalai Lama? We are

always waiting for him."

As he spoke, dozens of artisans were putting the finishing touches on an ornare guest residence for the Dalai Lama and the Panchen Lama, who serve as political and spiritual leaders for the Tibetan people.

The problem is that no one can say when these living Buddhas might ever get the opportunity to visit here.

The 14th Dalai Lama has lived in exile-

since 1959, and the latest reincarnation of the Panchen Lama, the 6-year-old son of a herder. has not been "approved" by the Communist Party leadership in Beijing. For anyone who travels through western

China, it takes very little time to discover the depth of support here for the Dalai Lama in secular and religious matters relating to the 6

million Tibetans who populate the sweeping landscapes of the Qinghai-Tibetan plateau.

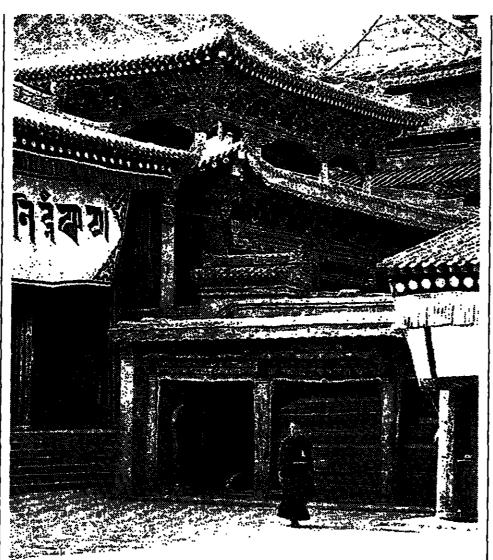
"Because the Dalai Lama is the highest figure of authority for our Yellow Hat Sect, all of the believers and we monks worship him," said one of the monks who, moments before, had been chanting from ancient scriptures in the Temple of Longevity, one of the many sacred halls among the labyrinth of courtyards and buildings that can be seen from the terraced hills. "Whatever is decided needs to have his approval."

The monk then rose and moved nimbly around a tiny altar, on which he prepared an offering of lamb, yak butter and candy wrapped in colored foil to the memory of a 17th-century peasant named Luo Qi, who saved the life of the Panchen Lama by carrying him piggyback through the floodwaters of the Yellow River.

Perhaps the most urgent matter for Tibetans iately has been the political standoff with Beijing over the reincarnation of the 11th Panchen Lama The 10th Panchen Lama died in January 1989, and according to the tenets of Tibetan Buddhism, his soul has migrated to a

In May, the Dalai Lama announced from exile in India that after six years of searching, the 11th coming of the Panchen Lama had been found incarnate in the body of young Gedhun Choekyi Nyima in the Tibetan village

Recognition of the reincarnation "is a religious matter and not political," the Dalai Lama said, adding, "It is my hope that the



A Tibetan monk standing in the courtyard of the Taer Monastery in western China.

Chinese government will extend its under-

standing, cooperation and assistance. The proclamation was denounced by the authorities in Beijing, who for the first time since 1949 have an opportunity to select the Panchen Lama and control his upbringing and education. They have attacked the Dalai Lama's "split-ist" behavior and "illegal and invalid" act - accusing him of seeking to wreck the unity of the motherland and calling him every name secular leaders dare call a living Buddha without offending the Tibetan masses who worship him as a god-king.

But they have yet to challenge the religious verity of the Dalai Lama's choice: the boy with frost-reddened cheeks and an impish gaze who faces an uncertain future.

The struggle between the Communists and the Dalai Lama over who has the right to name the Panchen Lama is not just an arcane religious struggle; it is part of the collision of interests over who rules Tibet.

Since fleeing Tibet in 1959, when China crushed the most recent independence up-rising, the Dalai Lama, 60, has built an influential worldwide campaign for his return and greater autonomy for Tibet. The Taer lamasery is in a valley 25 kilometers (15 miles) southwest of Xining, capital of Qinghai Province, which was once part of Tibet. The lamasery was founded here in 1560 and today supports 560 monks and 11 living Buddhas,

ranging in age from 7 to 80.

The 10th Panchen Lama visited the lamasery in 1987, and though he was greeted warmly, he was regarded as a collaborator by some Tibetans because he stayed after Chinese troops marched into Lhasa in 1959. He gave legitimacy to the Chinese occupation even as the Dalai Lama fled and fought for

Tibetan rights in exile. But he also struggled for Tibetan interests, petitioning the government to end torture, preserve Tibetan culture and stop the immigration of ethnic Chinese to Tibet. For his efforts, he spent a decade in prison during the 1966-76 Cultural Revolution.

HE MONKS here want any new Panchen Lama to avoid political entanglement with the Chinese government. Politics, another monk said, should be left to the Dalai Lama.

'The Panchen Lama should be a purely religious man and not a political figure," the

The struggle over naming the reincarnation of the Panchen Lama, if not a crisis yet, could still become one, as Beijing has yet to reveal how it will orchestrate the official steps to

recognition.

After the 10th Panchen Lama's death at the age of 50, the search for his reincarnation began. Monks from the Tashilhunpo Monastery, the traditional seat of the Panchen Lama in Xigaze, scoured the countryside for six years, examining candidates and seeking

It now seems likely that as the abbots nar-rowed the list, word leaked out to the Dalai Lama's exile home in Dharamsala, India. There, his proclamation and recognition of the boy preempted China's secular recognition by the State Council under Prime Minister Li

Peng.
"If the Panchen Lama would have been enthroned only with the blessing of the State Council, that would have been a disaster," said Lodi Gyari, the Dalai Lama's repre-sentative in Washington.

**COMING UP** 

Vietnam's ambassador in Washington is an accomplished pitchman who toils at building an untroubled transition in

# A Goddess Rises From the Seabed

# A Search in Egypt Yields Archaeological Treasure

ALEXANDRIA, Egypt -French archaeologists on Wednesday raised a piece of Greco-Roman statuary that had been underwater for 1,500 years lineare a tight-fitting funic. in the climax of a year of exploration of the site of the ancient Pharos lighthouse of

After three hours of wrestling with high swells and swinging cables, French and Egyptian divers maneuvered the red granite torso of a young woman onto the hook of a crane, which then deposited it at the feet of the Egyptian culture minister, Farouk Hosni.

A crowd of hundreds clapped and cheered from the quayside. The archaeologists plan to raise 30 more pieces from the seabed, including what they say are two granite blocks from the Pharos itself, one of the seven wonders of the world until the remains of it succumbed to an

earthquake in the 14th century. The Pharos, a monumental lighthouse built around 280 B.C. that was about 100 meters (330 feet) high, lit the entrance to Alexandria harbor for centuries, but archaeologists had never been able to positively academics favor the idea. But

identify any of the fragments.
"Before, we had only some representations of the Pharos in tions of the 15th century mosaics, in paintings and on Mamelouk fortress that now glass. Now we have pieces of the lighthouse itself," said Jean"Egypt has lots of sphinxes the lighthouse itself," said Jean-Yves Empereur, the French di-on land. The sensation would be

Wednesday was probably a goddess or queen but it was dif. ficult to identify it further at this stage. She appeared to be barebreasted but faint lines may de.

The other pieces chosen for retrieval include statues of sphinxes, bases and capitals of columns, sections of obelisks, inscribed blocks and a statue of the goddess Isis who had a tenple in the area. Greek rulers brought some of them from the much older city of Heliopolis near modern Cairo.

Abdel Halim Nount in chairman of Egypt's antiquities council, said the pieces probably ended up six meters under water by natural subsidence. Another theory is that they were dumped in the harbor as rubble.

Mr. Empereur said there were no plans to retrieve the large granite blocks, some of which weigh 75 tons, despite their possible importance in studies of the lighthouse.

Meanwhile, a dispute is raging about over whether the site should be turned into an under-

water archaeological park. Mr. Empereur: Honor Frost. a marine archaeologist, and some Mr. Nourredin wants to resume work strengthening the founda-

rector of the Mission Arché-ologique Sous-Marine. He said fishes and fishes playing with the piece of statue raised sphinxes," Mr. Empereur said.

#### TRAVEL UPDATE

#### More Tourists Flock to Britain

LONDON (Reuters) — The number of overseas visitors 19 Britain rose 11 percent, to 12.9 million, in the first seven montral of 1995, the British Tourist Authority said Wednesday.

But the authority said Britain needed to continue to work to

build its tourist industry to erase the losses it suffered in the 1980s

"We lost market share during the late 1980s and early 1990s and now need to claw that back by targeting new markets such as Asia, which is growing at three times the world average, and by Belgium Appeals improving our competitive position versus other European destinations," said Anthony Sell, the authority's chief executive.

Spending by overseas visitors in the first seven months of 1995

rose 15 percent, to six billion pounds (\$9.6 billion). from the same period in 1994.

The number of North American visitors rose 7 percent, to 2.2 million, in the first seven months of 1995, while the number of Western European visitors rose 9 percent, to 8 million, and visitors from the rest of the world rose 20 percent, to 2.6 million, the tourist authority reported.

in Europe, a spokesman for the prosecutor said Wednesday.

The court on Tuesday acquit
The cou In the month of July the International Passenger Survey showed

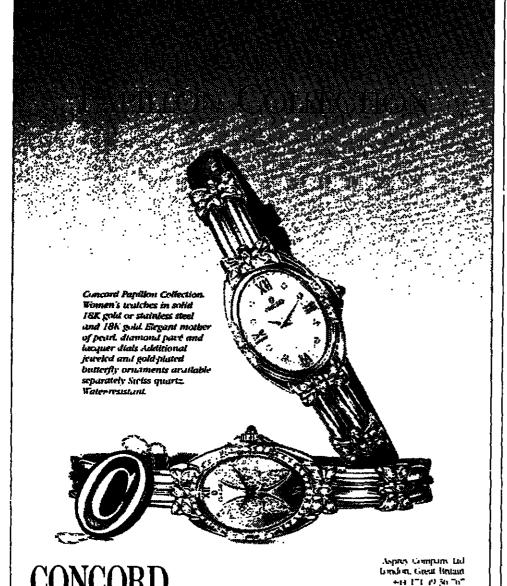
Motorists may be able to travel on French highways for nothing Friday after unions representing 11,000 highway workers, including those who man toll-booths, issued a 24-hour strike call. Six unions called the strike Wednesday to support a demand that their wages be increased by 3 percent.

Tourists were urged by the Italian authorities on Wednesday to stay away from the top of Mount Ema in Sicily after fumes and small lava flows were seen coming from the summit. Mount Etna is the highest active volcano in Europe.

The new anti-smoking law in Kuwait was relaxed Wednesday to allow smokers to puff at cigarettes in their own cars. The ban had been widely criticized as unconstitutional, a Health Ministry official said. As a result, the ministry suspended its enforcement for three months and opened a campaign of awareness to explain why smoking in such an enclosed environment is dangerous. In addition to the possible damage to personal health, some smokers are accustomed to flicking cigarette butts out of car windows. causing fires, the ministry said.

The German airline Lufthansa said it will start its first joint flights with Thai Airways International at the end of October. Lufthansa and Thai Airways will operate joint flights under a single flight number — a result of their code-sharing agreement signed last year — to Chiang Mai, Phuket, Phnom Penh, Yangon and Auckland. The airlines will also operate seven each of 14 flights a week to Bangkok from Frankfurt as well as two weekly flights to Bangkok from Munich.





# **5 Candidates Qualify** For Ballot in Algeria

By Youssef M. Ibrahim New York Times Service

PARIS - Although Islamic militants have threatened to kill anyone who goes to the polls rounding up its opposition fig-for Algeria's presidential elec-ures by the thousands. The tion, the country's government armed Islamists and the gov-has announced the names of the ermment security forces have five nominees who will be on the Nov. 16 ballot.

number of signatures required known as open advocates of the to qualify include Sheik Mahfoud Nehnah, a moderate Islamic opposition by force. lamic activist who could pose a Besides Mr. Zeroual, they are challenge to the president, Gen- Redah Malek, a former prime eral Liamine Zeroual.

Hamas, which has been tolerated by the government because Boukrouh, the head of the Alof the sheik's consistent advo- gerian Renewal party. cacy of "modern and tolerant" Islamic rule and his denunciation of violence by fundamentalists as well as government security forces.

Some opinion polls indicate that Mr. Nehnah is supported by 20 to 25 percent of the voters, which means that it may be pos-

vowed to bomb and attack election centers, and threatened that those who try to vote might be killed.

The broad campaign of violence by the armed Islamic factions began in 1992 after the military government canceled the second round of national legislative elections when it apto 30 years for the murders of Ayatollah Ruhollah Khome peared that the Islamic Salvathe pastors, Tateos Michaelian Iranian media said earlier.

#### tion Front would win control of prosecutor has lodged an appeal Parliament.

The government responded with repression and violence of its own, outlawing the party and

not stopped fighting since. Aside from the sheik, the oth-The five who received the er presidential candidates are army's drive to eliminate all minister, Saced Saadi, the head Mr. Nehnah is the head of of the Assembly for Democracy and Culture, and Nouredin

# Arabs' Acquittal "

Agence France-Presse BRUSSELS — A Belgian against the acquittal of Ahmed Zaoui, the presumed leader of an Algerian extremist network

gone on trial with 11 other suspected members of the Armed Islamic Group, one of the most radical of the Algerian guerrilla movements.

The prosecution also appealed the acquittals of Monammed Kassoul, Ahmed Benkrifa, Omar Ouallah and a three-month jail sentence for Mohammed Abdallah Nasr.

The group was suspected of being linked to a wave of terrorist bombings in France.

# Iran Imprisons 3 Women For Murders of 2 Pastors

sible for him to force a second round of voting against Mr. Zeroual, some analysts said.

Two armed factions, the Armed Islamic Group and the Islamic Salvation Army, have learning to bomb and attack elections to bomb Muslim chairs in Islamic Salvation Army have to bomb Muslim chairs in Islamic Salvation Army have to bomb Muslim chairs in Islamic Salvation Army have to bomb Muslim chairs in Islamic Salvation Army have to bomb Muslim chairs in Islamic Salvation Army have to bomb Muslim chairs in Islamic Salvation Army have to bomb Muslim chairs in Islamic Salvation Army have to bomb Muslim chairs in Islamic Salvation Army have to bomb Muslim chairs in Islamic Salvation Army have to bomb Muslim chairs in Islamic Salvation Army have to bomb Muslim chairs in Islamic Salvation Army have to bomb Muslim chairs in Islamic Salvation Army have to bomb Muslim chairs in Islamic Salvation Army have to bomb Muslim chair in Islamic Salvation Army have to bomb Muslim chair in Islamic Salvation Army have to bomb Muslim chair in Islamic Salvation Army have to bomb Muslim chair in Islamic Salvation Army have to bomb Muslim chair in Islamic Salvation Army have to bomb Muslim chair in Islamic Salvation Army have to bomb Muslim chair in Islamic Salvation Army have to bomb Muslim chair in Islamic Salvation Army have to bomb Muslim chair in Islamic Salvation Army have to bomb Muslim chair in Islamic Salvation Army have to bomb Muslim chair in Islamic Salvation Army have to bomb Muslim chair in Islamic Salvation Army have the salvation and the Is to bomb Muslim shrines in Iran, the murder of Mr. Michaelian,

> Gholamhossein Rahbarpour, as 31-year-old business student and employee of the National Iranian Oil Co., was sentenced

Tehran radio reported Wednesday.

It quoted the court president.

disrupting public order and supporting the Mujahidin, the court president added.

The three women confessed saying that Farahnaz Anami, a to killing the clerics in 1994 and to plotting to bomb a Muslim shrine and the mausoleum of the late revolutionary leader, Ayatollah Ruhollah Khomeini.

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#### THE AMERICAS

# **U.S.** Catholics Revere the Pope but Not His Teachings

By Laurie Goodstein and Richard Morin Washington Post Service

WASHINGTON — A majority of Catholics in the United States believe the church is out of touch with their views, and a growing majority say their positions on religious and moral issues are better represented by local church officials than by Pope John Paul II, according to a Washington Post-ABC News poll.

Nevertheless, an overwhelming majority of Catholics say they approve of the way the Pope is leading the church. Their attitudes are a reflection of the enormous personal popularity cultivated over the years by the charismatic prelate who has reached out to his flock through mass marketed books and tapes, broadcasts and whirlwind tours like the one that started Wednesday in Newark, New Jersey.

The survey reveals an increasingly apparent contradiction in American Catholic life: While Pope John Paul II is

Large majorities of American Catholics said they believe it is possible to disregard the church's teachings on -abortion, pre-marital sex, birth control and divorce, and still be "a good Catholic." Majorities also favor ordaining women and married men as priests, despite the Pope's forceful reiteration that church policy will not change.

American Catholic Church' - the way that local Italians have for centuries related to the papacy," said the Reverend Richard McBrien, a theologian at Notre Dame and editor of the HarperCollins Encyclopedia of Catholicism.

'When the Pope passes, you cheer,' he said, "but you go home and do whatever you feel you have to do."

To American Catholics, the Pope is "a reminder that we belong to some-thing that is bigger than us." Father McBrien said. "But the reason why so many Americans think the Pope is doing a great job is because the Pope doesn't in any way interfere with or affect their own personal lives.'

According to the survey, 82 percent of those who described themselves as Catholics said they approved of Pope John Paul's stewardship of the church, 15 percent said they disapproved and the remainder had no opinion. Fortyfour percent said they strongly ap-proved, while 38 percent said they only somewhat approved of the job the Pope is doing.

But nearly 6 in 10 Catholics interviewed — 58 percent — believed that the Catholic church was "out of touch" with the views of Catholics in America, while 39 percent disagreed.

"We can't go on having every Catholic family having 11, 14 kids," said Charlotte Malecki, 66, of Manassas, Virginia, who feels the church's John Paul Arrives in Newark

NEWARK, New Jersey - Pope John Paul II arrived for a five-day pilgrim of peace and urging Amer-ica to be a beacon of freedom and an advanced stage of development. opportunity to the world.

gray, rainy afternoon at Newark air- well, America. port, the Pope said that the fall of new opportunities for justice and Thursday.

believes the church should allow abor-

views on religious and moral questions

are closer to those of their local church

The survey also found that a grow-

tion for victims of rape and incest.

leaders than to those of the Pope.

were threatening peace.

For nations and peoples emergvisit to the United States on ing from a long period of trial, your Wednesday, saying he came as a country stands upon the world scene

"Your power of example carries In an address after arriving on a with it heavy responsibilities. Use it

The Pope will deliver a major communism in 1989 gave the world address to the United Nations on (Reuters, AP)

"I don't know why they are so strict on views on church issues, while 35 percent felt closer to the Pope.

that particular thing, seeing how the world is changing and how many children are suffering because of it." She is to promulgate and protect the message or the truth of Catholic tradition in a universal way," said James Davidson, a sociologist of religion at ing majority of Catholics feel that their Purdue University in Indiana.

"The local priests, sisters and church leaders have to deal with the laity on a day-by-day basis and have always and Catholics in the United States. Two the most human and compassionate years ago, only half of the Catholics way they can, which means that they interviewed—51 percent—said local sometimes will either disregard or in-"I call it the 'Italianization of the strict stance on birth control is obsolete. church leaders better represented their terpret the teachings in ways that good Catholics.

the Pope might not agree with." The survey results reflect the debate within the Catholic Church here and abroad about how far to go to de-mocratize, decentralize and modern-

ize the church. The poll of 414 self-described Catholics was conducted on Sept. 28 and 29. The margin of error is plus or minus 5 percentage points.

By overwhelming margins, Catholics interviewed rejected many traditional notions of what it means to be a good Catholic. According to the

• 93 percent said that someone who is using birth control could still be a

 85 percent said someone who gets a divorce and remarries without church approval could still be a good Catholic.

 69 percent said a woman who obtained an abortion "for reasons other than her life being in danger" can still be a good Catholic.

 83 percent said someone having sexual relations before marriage could still be a good Catholic.

Catholics divided sharply when asked whether practicing homosexu-als could still be good Catholics, with Those responses suggest a growing tended to be more willing to translate or 51 percent saying they could and 45 ideological distance between the Pope interpret those universal teachings in percent disagreeing. And by a 3-to-1 ratio (74 percent to 25 percent), Catholics said married people having sex outside of marriage could not be

#### POLITICAL NOTES

#### FBI Takes TV Station's Records

WASHINGTON — FBI agents assigned to the independent counsel investigating Commerce Secretary Ronald H. Brown searched the offices here of WFTY-TV, Channel 50, this week and hauled away boxes of documents about the business dealings of Mr. Brown's former business partner, Nolanda S. Hill, according to station employees who did not want to be identified.

Agents armed with search warrants also obtained other documents from the Maryland home of Kenneth W. White, a former Channel 50 vice president and a longtime business associate of Ms. Hill, sources reported.

The searches were the first public action by the independent counsel, Daniel S. Pearson, a former Florida judge, since he was appointed in July to investigate Mr. Brown's personal finances, including whether he violated federal financial disclosure laws by filing inaccurate reports of his business relationship with Ms. Hill, the former owner of Channel 50. (WP)

### A Show of Power From Clinton

WASHINGTON - In an act that carries more political symbolism than practical effect, President Bill Clinton vetoed a bill that pays for Congress' administrative expenses. He said he would not approve the lawmakers' budget while the other spending measures needed to pay for the federal government were "incomplete, unresolved and uncertain."

Mr. Clinton's rejection of the \$2.2 billion measure made

good on a threat he issued over the summer, when he said. "I don't think Congress should take care of its own business before it takes care of the people's business." It was only his third veto since taking office.

The White House spokesman, Michael McCurry, suggested Tuesday that the veto would put more pressure on lawmakers to pick up their pace on the remaining spending bills. But Republicans were quick to call the president's gesture hollow political theater.

They noted that a veto would have no immediate effect since Mr. Clinton had already signed into law a compromise stopgap spending measure to pay for the government, congressional staff salaries included, for six weeks.

### President's Poll Ratings Improve

WASHINGTON - President Bill Clinton's standing in national surveys is improving as the debate between Republicans and Democrats over social programs intensifies, and retired General Colin L. Powell remains a strong wild card as a potential addition to the 1996 presidential race.

Two new polis show that Mr. Clinton has widened his lead

over the Republican presidential front-runner, Bob Dole, the Senate majority leader, while the president and General Powell run closely together ahead of Mr. Dole in a hypothetical three-way matchup with General Powell.

A Harris Poll conducted Sept. 28 to Oct. 1 among 1,005 adults found that when asked whom they would back if the election were today, 42 percent said Mr. Clinton and 30 percent said Mr. Dole in a two-way race. A month ago, Mr. Clinton led Mr. Dole by only 39 to 37 percent. (AP)

#### Quote /Unquote

Representative Bobby L. Rush, an Illinois Democrat, criticizing the Republican leadership for being "bloodsuckers" and "vampires" for proposing deep cuts in medical care programs: "The bloodsuckers in this Congress are led by Count Dracula," he said, apparently referring to the House speaker, Newt Gingrich.

# **Away From**

 An R.J. Reynolds Tobacco executive proposed as early as the 1970s that the firm market cigarettes to underage smokers and even suggested that teen rebellion might make the risks of smoking more attractive.

**Politics** 

 A hurricane thrashed. the Florida Panhandle with gusts up to 144 mph Wednesday, flooding homes, knocking down piers along the beaches and sending tens of thousands of people fleeing. At least one person was killed(AP) Amnesty International urged the United States to abolish the death penalty, calling it "a symptom of a

violent society, not a

(Reuters)

# **Doctors' Group Expresses Doubts** On Planned Medicare Redesign

By Robert Pear

New York Times Service WASHINGTON - After months of public silence, the American Medical Association expressed deep concern about Republican proposals to re-design Medicare, saying that new limits on payments would make the program unattractive to many doctors.

James H. Stacey, a spokesman for the association, said that doctors in the standard Medicare program were facing not just a cut in the growth of Medicare payments, but an absolute reduction in payment for many services under the Republican plan.

"This causes real problems

would be a major blow to the the Republican proposals on traditional fee-for-service Medicare. traditional Medicare program."

comments from the Clinton ad- care plan in 1993 and 1994, the ministration and Democrats in association regularly made itlicans would cut payments to Clinton's goal of guaranteeing doctors so severely that many health insurance coverage for doctors would decide not to all Americans, and it initially treat Medicare patients. As a supported his proposal that all result, they say, patients would employers be required to buy be forced to obtain care through such insurance for their emhealth maintenance organiza- ployees. tions and other private health plans, even though the Republicans insist that beneficiaries will always be free to keep tra-

ditional Medicare coverage.

for the AMA," Mr. Stacey said Medical Association had genin response to a question. "It erally refrained from criticizing

By contrast, in the battle over The doctors' concerns echo President Bill Clinton's health Congress, who say the Repub-self heard. It supported Mr.

The association later urged Congress to consider alternatives to the "employer mandate." Many doctors said Mr. Clinton's plan envisioned too Until Tuesday, the American big a role for government.

### **Toughest Game So Far Boosts Kasparov's Lead**

The Associated Press

NEW YORK - It was the hardest-fought battle of the chess match. Viswanathan Anand, playing black, gained a big opening advantage — only to be defeated by Garry Kasparov in a

wildly complicated position with both players short of time. Mr. Kasparov's victory in the 14th game of the Professional Chess Association world championship means he leads the match, 8.5-5.5 points.

#### **GAME 14 — CENTER COUNTER**

	White Kasp.	Black Anand	White Kasp.	Black Anand		Black Anand		Black Anand
	1. e4 2. ed 3. Nc3 4. d4 5. Nf3 6. Ne5 7. Bd3 8. f4	d5 Qxd5 Qa5 Nf6 c6 Be6 Nbd7 g6	12. Se2 13. Be3 14. Bg1 15. Bf3 16. Nxd5 17. Bf2 18. Rc1 19. Nd3	h5 Rd8 0-0 Nd5 ed Qc7 f6 Rfe8	23. a5 24. cd 25. Bh4 26. a6 27. Ne5 28. g4 29. Nxg4 30. Rc7	Bf8 cd Nd6 b6 Oe6 hg Bg7 Ne4	34. Oxg4 35. Rxg4 36. Bt2 37. Rb7 38. t5 39. Nxg4 40. Rd7 41. Rxd5	Ndő Nb5 Re4 Rxg4 Rc8 Rc2
ı	9.0-0	Bg7 Bl5	20. b3	Nb6	31. Ne3	Bh3		•
ı	10. Kh1		21. <del>24</del>	Nc8	32. Rg1	g5		
ı	11. Bc4	<b>e</b> 6	22. c4	<b>0</b> 17	33. Bg4	Bxg4		

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Solutions for a small planet

"In each case I gave the order and group leaders carried it out," NHK quoted Mr. Asahara as telling investigators. The police declined to com-

The authorities charged Mr. Asahara with murder and other crimes after the sarin gas attack, which killed 11 people and injured 5,500 others on March 20.

He also has been accused of masterminding another gas at-tack in central Japan last year has been charged with illegal tivities.

invoke the subversion charge to charge the group with sub-and outlaw the sect. The confes-version and outlaw it altogethsion was forced and so does not er. have any value as evidence in

The 40-year-old guru has reportedly been denying the charges since his arrest in May, arguing that he could not have been involved because he was

The media here have often based their crime reporting on police briefings and sources without saying so, especially in coverage of the bewildering array of cases blamed on the 10,000-member Aum Shinrikyo sect, or Aum Supreme Truth. Most of those briefings are not late the constitutional freedoms of speech, assembly and the open to the foreign media.

Mr. Asahara, who has spent more than four months in detention, is scheduled to face the first of his trials on Oct. 26.

confession in court, the trial would end in a matter of months, not years as predicted. It is up to the presiding judge to accept or refuse affidavits

based on police interrogation as

Japanese Cult Chief

Said to Admit Guilt

Mr. Asahara faces a mountain of other material evidence on the nerve gas cases and reported confessions by other Aum leaders, most of whom are reported to have told the police that Mr. Asahara ordered the attacks and other crimes.

If he is convicted, the maximum penalty would be death by

hanging.

Besides the criminal proceedings against Mr. Asahara and individual cult members, the Japanese government has been considering two possible ways to disband the cult.

The milder form of disbandment comes under the Religious Institute Act, a court order denying the sect its legal status. The group's assets would be and of murdering a lawyer and confiscated and would no long-his family and kidnapping a public official. In addition, he group coould still carry out ac-

drug production.

The Kyodo news agency quoted the guru's lawyer, Shoji Yokoyama, as saying; "The police interrogator threatened to That process could take up to 10 years before the order becomes final in Japan's snail-paced judiciary system.

The other method would be

Last week, Justice Minister Tomoharu Tazawa said his ministry was in the last steps of starting a process that would outlaw the group's activities, in-

cluding any meetings and publication of periodicals, under the controversial Subversive Activities Prevention Law. Prime Minister Tomiichi Murayama said this week that the ministry should be cautious in invoking the 1952 act, which has never been used against a group out of fear it would vio-

If the Justice Ministry deand it is accepted by an inde- bly. If he repeats his reported pendent panel of jurists, mass media executives and retired diplomats, the order takes immediate effect without a chance

(Reuters, AP, AFP)



YANKEE, GO HOME — Protesters in Tokyo demonstrating Wednesday against U.S. military bases in Japan. About 4,000 people took to the streets to protest the rape of a schoolgirl near the U.S. base in Okinawa. Three American servicemen have been arrested, and exercises at the base were halted Tuesday as a "day of reflection."

# France Contends a Newspaper Japan Sets Lies About Cracks at Test Site Mission to

PARIS - The French government accused a major newspaper Wednesday of lying and sphere. threatened court action over a report that cracks had opened under the main French nuclear testing site in the South Pacific.

"Never have any cracks of any kind been spotted," For-eign Minister Hervé de Charcides to issue the outlaw order ette said in the National Assem-

> He said he believed that a map of the cracks under the Mururoa Atoll published by the daily paper Le Monde on Tues-

Le Monde quoted experts as

cracks into the sea or atmo-

itself hable — we are thinking for doing so. this over - to the law against the spreading of false informa-tion," he added.

Le Monde said it stood by its dispatch, published amid global outrage over the resumption of French nuclear tests, that cracks under the atoll could be torn open by future explosions. Two tests in the series, which will range from six to eight, have been held.

The newspaper said the map

HEALTH/MEDICAL

SERVICES

having said that radioactive was drafted by the military at material might leak through the Mururoa in 1980 and had been Paris Over known for several years, since a Polynesian employee smuggled "This newspaper has made it out of the base and was fired

> "This map does not come from any government agency.'
> Mr. de Charette countered. He said that France had no

intention of halting its tests and ruled out a parliamentary debate because the control of nual prerogative of President Jacques Chirac. The Defense Ministry denied

that the tests posed any danger and said Le Monde's map had been drawn by the Greenpeace environmental group, which has led the anti-nuclear cam-

had been spotted in 1980 and monitored closely since. "No worsening of the situa-

tion has been observed," he said in a radio interview. A Socialist, he served as defense minister from 1988 to 1991.

France's Atomic Energy Commission said that the existence of the cracks was well known and insisted that they were found only in the upper levels of coral beneath the atolls and not in the lower levels of basalt in which nuclear devices were exploded.

eventually, but so slowly that it poses no threat to the environment.

Some scientists have predict-ed that radioactivity will leak dent that Pacific leaders would out at a faster pace in the future restore the South Pacific Fobut still in such small quantities rum's relations with France, that it would be unlikely to endanger the environment

burrowed into the rocky under-

with tunnels, command posts,

munitions depots and even an

auditorium to entertain the

troops. Ouemov and Matsu be-

the mists across the narrow

band of water. People remem-

ber the artillery barrages that sent shrapnel ripping through their homes and destroyed the

tranquility of their lives.

from the mainland,

# **Atom Tests**

TOKYO - Japan's ruling coalition will send a mission to Paris to protest French nuclear testing in the Pacific, coalition officials said Wednesday.

Senior officials of the three clear weapons is a constitution- ruling parties - the Liberal Democratic Party, the Social Democratic Party and the New Party Sakigake — will leave for France as early as next week and will include Kiyoshi Mizuno, the former executive council chairman of the Liberal Democrats, they said.

Last month, Finance Minis-A former defense minister, ter Masayoshi Takemura, head knowledged that some fissures rally in Tahiti following France's first test. Mr. Takemura is not likely to join the mission, they said.

The secretary-general of the Liberal Democrats, Koichi Kato, said, "We have to deliver our strong intention to French politicians."

"That will hurt the Philippines. Any country that tries to isolate itself or tries to isolate others, by experience, has always suffered," Mr. Ramos

France exploded its second nuclear device on Sunday at Officials of the commission Fangataufa atoll and plans as said some debris may leak out many as six more tests by May 1996

In Suva, Fiji, Jacques Cos-tilhes, France's ambassador, (AFP, Reuters, AP)

### BRIEFLY ASIA

### Japan Plans December War Rites

TOKYO — Japan's government announced Wednesday

that it will hold a ceremony in December to commemorate the 50th anniversary of the end of World War II.

The ceremony was originally planned for Aug. 15, the date of Japan's surrender to the Allied powers in 1945. That plan was scuttled, however, as coalition parties bickered over the content of the event.

Koken Nosaka, the government spokesman, said that Japan wants to make it a "significant" event and that it may invite young people from other Asian nations.

(AP)

### China Bars 2 Rights Advocates

BELIING - China has denied visas to two delegates from Amnesty International who had been invited to attend an international anti-corruption conference in Beijing, a spokesman said Wednesday. The team from the London-based human rights group had

the team from the London-based human rights group had been due to attend the conference to speak on the role of state corruption in relation to prisons and judicial systems, Casey Kelso, a spokesman, said by telephone from London.

The delegates had planned to raise the issue of arbitrary abuse of power, which they said existed in China as well as in other countries, he said.

The Chinase Embases in London refused to result to the countries of the chinase temporary in London refused to result to the chinase temporary in London refused to result to the chinase temporary in London refused to result to the chinase temporary in London refused temporary in London refused temporary in London refused temporary

The Chinese Embassy in London refused to grant visas to Arlette Ladiguic, a researcher for Amnesty, and to Piet van Reenen, from the group's Dutch chapter, he said. (Reuters).

#### 2 Killed in Delhi Market Explosion NEW DELHI — An explosion in a marketplace in the old quarter of the Indian capital killed two people and wounded

one Wednesday morning.

Residents said the blast was caused by a bomb. The police

blamed a leaking gas cylinder kept inside a sealed room, but Ran Singh Gahlot, an inspector who was heading the investigation, said the police had not found pieces of a cylinder in

Five bombs have exploded in the New Delhi area over the past two weeks, wounding 54 people. The police are investigating whether they were set by terrorist groups. (AP)

#### Tamil Counterattacks Repulsed

COLOMBO — Thousands of troops repulsed three Tamil rebel counterattacks on Wednesday and held territory captured in their four-day offensive, a military statement said. In the latest round of fighting, five soldiers and three rebels were killed. Another six soldiers were wounded, the statement

At least 204 rebels and 49 soldiers have been killed in the offensive by government troops backed by tanks, artillery and planes. At least 15 civilians were also killed in the fighting and dozens more wounded, travelers from the region said.

On Tuesday, in the bloodiest 24-hour period in Sri Lanka's 12-year civil war, 223 people — 180 rebels and 43 troops were killed in two battles, one on land and one at sea. said Major Tilak Dunuwille, a military spokesman.

#### **VOICES** From Asia

An Indian government official, about the lack of progress on gaining the release of four Western hostages in Kashmir: "We are displaying our patience. There has been no sign of a renewal of talks."

(Reuters)

The North Korean Central News Agency on South Korea's campaign to focus on human rights in North Korea: "It is a disgusting act that the puppets, the chief violators of human rights, are charging the North with the nonexistent human

Ranil Wickremesinghe, the Sri Lankan opposition leader and former prime minister, said his United National Party will file a suit next week challenging government censorship:
"We believe that the censorship violates the fundamental rights of the people and we are making a case on that basis."

# Party's Popularity Fails To Boost Japan Leader

Compiled by Our Staff From Dispatches TOKYO — The election last month of Trade Minister Ryutaro Hashimoto as president of the Liberal Democratic Party has boosted the conservative group's popularity, a daily newspaper said Wednesday.

But Prime Minister Tomiichi Murayama's coalition failed to benefit much from the surge in support for the LDP, the largest of three parties in the 15-month-old government, the mass-circulation Yomiuri

Shimbun said. It said a survey it conducted over the weekend of 3,000 voters showed the LDP's support

rating rising to 27 percent, from 21 percent in a similar poil in August.

Over the same period, the coalition of Mr. Murayama, a So-

cialist, saw only a slight 1.1 percent increase in support, to 35.7 percent, far below the 45.7 percent who voiced disapproval for his administration, the paper said.

nomic stimulus package, the largest ever, and improved prospects for economic recovery given the weaker yen, wereviewed as positive factors for the cabinet, the paper said.

moto's inauguration as LDP president gave a fresh impression to voters, although some view Mr. Hashimoto's election as an eventual threat to the coalition's unity.

12.3 percent from 17.2 percent, it said. The newspaper said Mr. Hashimoto's election on Sept.

#### Continued from Page 1

#### prove the Frankfurt court's ex-

Singapore had sought to have Mr. Leeson extradited on 12 charges, but the German court threw out one of the charges. That charge related to Mr. Leeson's alleged forgery of a confirmation letter from a Wall Street investment firm.

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"More than 70 artillery shells landed around this village," Mr. Yang said, referring to the Oc-tober 1949 mainland assault on Quemoy with 10,000 troops.
"Most of this part of the island was destroyed, and the only reason Kinmen survived was due to the participation of the Americans," he said. "If there had been no Americans,

there would be no Kinmen today. Official histories estimate that Chinese Communist forces all Chinese." fired 41,000 artillery shells against Quemoy on Aug. 23, THALAND, BURMA: Bondok, Tel. 267-9164, 267-9165 Fox. 267-9166 1958, opening a campaign to dislodge 80,000 Nationalist AUSTRALIA troops, who were being sup-MELBOURNE: Tel. (61·3) 696 0288. Fr.. (61·3) 696 6951 plied from Taiwan

into the army for two-year Taiwan's propaganda across stints, the caves and tunnels the waters from a rocky prom-and pillboxes of these islands ontory are now used to belt out ground of this island, lacing it became as familiar as their living rooms back home. The islands remained under

martial law until 1993, but now

tourists are starting to come to came fortresses that could withsee the places where their sons, stand the fiercest onslaught fathers, uncles and nephews But after an initial, disastrous have stood the watch. A military reduction began quietly after 1990, and force attempt by Communist troops to retake Quemoy in late Octo-ber 1949, that, too, never came; levels today are estimated at there was only a long standoff.
The gun emplacements of the
Chinese mainland still loom in

only 10 percent of the peak levels of the 1960s and 1970s.
Four decades of invasion fever are simply dissolving. The elaborate propaganda operations that carried on into the 1990s using loudspeakers and helium balloons to reach the mainland with news of the Tinnanmen massacre in Beijing in 1989 seem out of place at a time when Taiwan businessmen are heavily represented on the mainland, with \$20 billion invested in more than 25,000 en-

terprises. "They are not our enemy anymore," Chen Zhigong, a fertilizer salesman from Taipei, pillbox at the end of a long ists can now traverse. "We are trouble."

the love ballads of Deng Lijun, the Taiwanese crooner.

Increasingly, the Taiwan Kinmen and Matsu are becoming overrun with Chinese fisher-men, especially since President Lee Teng-hui's visit to the United States set off an atmosphere of crisis. Taiwan Army commanders, who have the authority to shoot at mainland fishing boats that violate Taiwan waters, are more and more reluctant to do so.

On a recent afternoon, a visifor to an army outpost here asked a young soldier why he seemed to be ignoring two Chinese fishing boats that were vio-lating Kinmen's waters just a few hundred yards offshore.

Gazing over the water, the soldier agreed that the boats were "absolutely over the line," but he explained his inaction by saying. Now is a sensitive perisaid as he peered out from a od, and no one dares to shoot because they don't want to take underground tunnel that tour- a chance that they would get in

Taiwanese fishermen, con-Some commanders on Tai-wan seem to agree with this sen-timent. In July, when a Chinese Many complain that when they local air defense commander dawn, they discover that their For several generations of On Kinmen, the 24,000-watt mainlanders and the n young Taiwan soldiers drafted loudspeakers that used to blast hauled up and stolen.

The Murayama govern-ment's decision to produce a 14 trillion yen (\$138 billion) eco-It also said that Mr. Hashi-CHINA: In the Mists Off Taiwan, a Long War Is Ending

> Support for the main opposi-tion New Frontier Party fell to Army is having to cope with the fact that the waters surrounding on the LDP. on the LDP.

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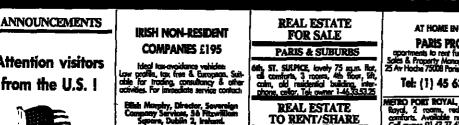
tradition order, a step that is largely a formality, and Mr. Leeson's lawyers said they would appeal the regional court's decision to the Federal Constitutional Court, a process that could take a month. But lawyers said Mr. Leeson would almost certainly be extradited in the next few months.

"The reasoning of the German court appears in various respects to be inconsistent and wrong in law," said Mr. Leewarplane flew over Matsu, the return to their overnight nets at Pollard. "There are clear did nothing to stop it.

On Kinmen, the 24,000-watt

On Kinmen, the 24,000-watt

Annual and the nets often of at least eight of the remain-



LONDON - A British judge abandoned a trial before it began Wednesday because of what he called unlawful, misleading and scandalous reporting by Britain's tabloid news-

papers.
The judge warned newspaper editors he planned to ask the attorney general to consider whether contempt of court charges should be brought.

"They are in peril of far greater penalties than I can impose." Judge Roger Sanders said, referring to members of

the press.
Geoffrey Knights, the com-panion of Gillian Taylforth, a star of the "Eastenders" television soap opera, was to face a jury at Harrow, north of London, on charges that he had attacked her driver.

Mr. Knights had been charged with wounding and as-

But Judge Sanders said he agreed with Mr. Knights's lawyers that their client could not face a fair trial due to "unlawful, misleading and scandalous" publicity surrounding the case.

"No fair-minded member of any jury could not say that he or she had not been influenced by what he or she had read unfairly in the newspapers," a defense

lawyer, Julian Lee, said. The judge said in a highly critical eight-page judgment that the media were responsible for a "grave abuse of pro-

. After Mr. Knights was charged with alleged assault, the media were not silent, as the law required, the judge contin-

"I have absolutely no doubt that the mass of media publicity in this case was unfair, out-rageous and oppressive." he

charged. He named a number of tabloid newspapers, as well as two journalists, saying that some seemed to have conducted a "hate campaign" against

# **A** Moment of Truth' Is Here For Economy, Juppé Warns not now meet those rules.

PARIS - Prime Minister Alain Juppé said Wednesday omy before it joins a system for ernments from 1989 to 1992. a single European currency or it will lag behind with poorer European countries.

If France fails to improve its economy before it joins the to meet the targets on time. common currency in 1999, as scheduled, "We'll drop out of the leading pack and be among the weak-currency countries, Mr. Juppé told the National Assembly. "It's the moment of

The prime minister's warning came as President Jacques to his mentor and the welfare pharmaceutical industry. Chirac prescribed a drastic system's overhaul of France's heavily indebted welfare system, which is 50 years old this year and has a record deficit of more than 60 billion francs (\$12 billion).

To achieve the targets of European monetary union in 1999, the government wants to alter welfare coverage that is funded mainly by a tax on employers and employees but dismissed by many economists as "a tax

Under a plan agreed to in French troops in the island state 1991, European Union nations of Comoros on Wednesday, are supposed to adopt a common currency to replace francs. marks, lire and the other national currencies.

To get their economies in er, countries must meet a series of tight financial conditions, including low inflation and interest rates, narrow budget deficits, modest national debts and stable exchange rates.

Mr. Juppé said France could hammed Djohar, who had been ciation with the Comoros.

\*Our public finances are in a state of peril, he said, blaming that France must mend its econ- deficits run up by Socialist gov-

> German officials said last month that other countries ex- his income, whatever its origin pected to form the core of the and nature." currency union will not be able These countries included

Italy, France, Belgium and the Netherlands. France has a huge budget

to social-welfare programs. father.

Charles de Gaulle, praising the welfare state as expressing France's "national genius."

But he tempered this with a warning: "In future everyone must contribute according to

To be in good health, people need to spend better, not spend more," Mr. Chirac said. But he was careful not to go beyond general guidelines.

Any crackdown on spending deficit, 11.5 percent unemploy- for medical reimbursements ment and costly commitments was widely seen as likely to pit the government against doc-Mr. Chirac paid warm tribute tors, hospital workers and the

# rolls off the presses, Mercenary Set to Cede

Agence France-Presse Thursday.

To French in Comoros

PARIS - The French mercenary Bob Denard, whose forces were overwhelmed by French troops in the island state said on French television that he would surrender quietly.

Interviewed live from his coup headquarters on the islands by French television, Mr. line before the currency merg- Denard said he would surrender to the French forces on Thurs-

He added that the first part of the surrender had already taken place Wednesday, with the liberation of President Said Mo-

held since the coup began last

The first phase has "gone very smoothly," Mr. Denard said on television.
"The second phase will also

go smoothly, calmly and avoid-ing any mistakes," he added. Six hundred French com-

mandos stormed the Comoros Islands on Wednesday and put down a coup mounted by Mr. Denard, who led a group of mercenaries, after a day of

fierce fighting. Mr. Denard, 66, has fought in African civil wars for three decades and has a long asso-

#### BRIEFLYEUROPE

### Berlusconi Prosecution Sought

MILAN - The Milan prosecutor's office on Wednesday called for Silvio Berlusconi. Italy's former prime minister and media magnate, to be tried on corruption-related charges. judicial sources here said.

According to prosecutors, between 1989 and 1992, three firms belonging to Mr. Berlusconi's Fininvest media group and the Telepiu subscriber television channel — in which Fininvest owns a 10 percent stake — unlawfully paid some 355 million lire (\$200,000) in bribes to avert tax controls.

Mr. Berlusconi, who was prime minister from May to December last year, has said that he knew nothing about the payments and that if bribes were paid, they were required by

#### New Newspaper to Focus on $oldsymbol{EU}$

BRUSSELS — Thousands of European Union officials and interested onlookers will get something new to read on Thursday when a new weekly newspaper about the Union

The first issue of European Voice, published by Britain's Economist Group, is due to reach subscribers toward the end of the day and to appear on newsstands in all 15 EU capitals on Friday morning.

on Friday morning.

The newspaper — which describes itself as "A weekly view of the Union for the Union" — is loosely styled after Roll Call. The Economist Group's biweekly U.S. newspaper aimed at the U.S. Congress and Washington lobbyists.

(Reuters)

### Labor Rejects a Marxist Clause

BRIGHTON, England - Underlining its move to the center drive to oust the Conservative government, the Labor Party overwhelmingly defeated on Wednesday a left-wing attempt to restore a Marxist-style clause to its constitution.

Delegates at the annual conference of the opposition party rejected by a margin of nearly 9 to 1 a proposal to reinstate the clause calling for public ownership of the means of pro-

### Italian Senate Aims to Keep Dini

ROME --- Italy's Senate passed a motion on Wednesday on reforms that Prime Minister Lamberto Dini's government must push through before the next election.

The motion, put forward by the center-left majority, aims at keeping Mr. Dini in power by listing numerous reforms that have to be implemented, particularly on decentralization, before general elections can be held.

Before the vote, Mr. Dini said he backed the motion's goals.

The elections are expected in June 1996.

#### Turkish Workers Continue Strike

ANKARA — A Turkish union spearheading a huge twoweek-old public workers' strike said on Wednesday it had rejected a government pay offer and would continue the

Yildirim Koc, a senior official in the Turk-Is union confederation,said government ministers had made an unspecified pay offer. Prime Minister Tansu Ciller's government had proposed an annual pay increase of 5.4 percent, far below the union's demands of increases more in line with inflation, expected to be 70 percent for 1995.



European Union events scheduled for Thursday:

LUXEMBOURG: The Energy and Small Businesses commissioner, Cristos Papoutsis, addresses the 232d session of the Consultative Committee of the Coal and Steel Community on the community energy policy.

BRUSSELS: The Industry and Information Technology commissioner, Martin Bangemann, meets China's Trade and Industry minister, Wu Yi.

DUBLIN: Research and Development Commissioner Edith Cresson attends the start of the Socrates program for university exchanges in Ireland and meets President Mary Robinson of Ireland.

BRUSSELS: Emma Bonino, the consumer affairs commissioner, and Karl van Miert, the competition commissioner, meet with Emesto Pascale, a delegate from the Societe de Telephone Publique Italienne.

Sources: Agence Europe, AFP

# Catalans Warn González on Vote

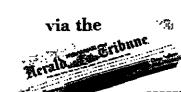
"If the Socialists try to delay the elections.

Minister Felipe González in a minority. It said it would block the 1996 budget but has so far stopped short of backing a censure motion. With the Catalan nationalists 17 votes and 18 from the United Left coalition, which has already expressed itself in favor, the oppowe will present a motion of censure or support sition Popular Party could win such a motion. any other group that does so," Jordi Pujol, Mr. González has refused to hold elections this

#### radio interview. His party withdrew support from the Socialists last month, leaving Prime MADRID -- The leader of Spain's Catalan nationalists, who hold the balance of power in Parliament, said Wednesday that he would back a motion of censure against the Socialist government if elections are not held by March

Mr. Juppé, right, leaving the weekly cabinet meeting on Wednesday with Technology Minister François Fillon.

leader of Convergence and Union, said in a year.



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# Chernomyrdin Denies Plan to Succeed Yeltsin

MOSCOW — Prime Minister Viktor S. Chemomyrdin declared Wednesday that he had no plans to run for the pres-President Boris N. Yeltsin.

Mr. Chemomyrdin was quoted by the Itar-Tass news agency as saying, "I have not planned, in his government. and am not planning, to present my own candidacy for the elec- Yeltsin seem to have cooled in try next year.

to Canada, has been in office before he began a vacation. since the end of 1992. He has widely been seen as a potential front-runner if he ran in the Yeltsin during the three-week election for head of state due in June next year. break, though many other top officials did so, prompting But it has always been as- speculation of a rift. sumed that he would not oppose

decided to seek a second term. At the same time, Mr. Cher-

Mr. Chernomyrdin's nation-

abroad --- he took personal charge of negotiations to win the release of Russian hostages held by Chechen guerrillas. He went on to outwit a hos-

idency and denied press reports tile lower house of Parliament, of strains in his relations with which sought to make political capital from the hostage seizure in southern Russia, and survived a vote of no-confidence But relations with Mr.

tions for president of the coun-recent weeks, with the Russian president making some offhand Mr. Chemomyrdin, 57, who remarks about the government after his statement left on a visit at a news conference on Sept. 8 Mr. Chemomyrdin subse-

quently failed to meet Mr. Mr. Chemomyrdin, in his

Mr. Yeltsin, seen as his political comments Wednesday, denied patron, if the Russian president reports of strains in relations with the Kremlin chief. "Someone is trying to start

nomyrdin's statement did not stories going about alleged disrule out a change of heart at a agreement between the president and the prime minister." he said. "Nothing has come al standing rose sharply last between us and nothing will June when — with Mr. Yeltsin come between us."

we do.'

# EUROPEAN just for its bulky woolen sweaters. **TOPICS**

#### For the Icelanders, It's In From the Cold

Good things happen to those who shiver and wait. And now, after so many long nights out in the cold, it seems that Iceland is in.

The reasons go beyond the popularity of teenage pop singer Bjork to frenetic activity and surprising success in other fields of art and entertainment, says The Sunday Times of London. Icelanders already were the world's leading movie-goers (not surpris-ing in a land of endless nights). but their films are now hot properties at world film festivals.

The publishing industry produces more books per capita than any other. Even the fashion industry these days

An aggressive work ethic is said to underlie the cultural boom, "When there is fish you have to go out and get it," says Anna Maria Karlsdottir, coordinator of the Icelandic film fund. "We are aggressive and enthusiastic about everything

There is also more than a touch of the exotic and the fanciful in this land of hot springs and rugged landscapes, where highways reportedly have been rerouted to avoid disturbing rock-

dwelling fairies. Some aspects of Icelandic life, however, are unlikely to catch on among European jetsetters anytime soon: local delicacies like grilled puffin (the national bird, no less!) or *'hakarl''* — putrefied shark meat that has been buried in sand.

Around Europe

Ecologically sound loghas drawn attention — and not | ging, Sweden is finding, also | rants offer generally lower

Swedish loggers, long practitioners of a razed-earth approach, have shifted their empressed

environmentalists, new law

and a recessionary economy. Surprisingly, profits are rising by as much as \$1,000 per hectare, reports the German weekly Focus. Where once loggers would leave up to 300 hectares completely denuded, their "ecological cuts" now measure only 3 to 30 hectares. Trees grow faster on these small patches, reducing the need for expensive reforesta-

France's traditional restaurateurs are complaining that "ethnic" restaurants (including British) are providing stiff competition. Sushi, chile con came, chicken Tandoori and tiramisu seem to be everywhere. Henri Gault, half of the restaurant-reviewing team of Gault and Millau, says there are now "more foreign restaurants than French restaurants" in Paris. The foreign restau-

can be economically smart. | prices, often faster service, and exoticism.

Mr. Gault says there is no use complaining. "It is time to realize that we aren't the only people who know how to cook well." he says.

The French, he adds, may even be able to learn from the

A British record producer, Falcon Nemon Stuart. wants to realize a dream his father proposed in 1960 and build a huge bust of Winston Churchill on the south bank of the Thames in London. The great statesman's descendants have likened the planned 40foot (12-meter) bronze likeness to "a Stalinistic monu-

0.95

ment" and vowed to block it. The original proposal was rejected by authorities as tasteless and overdone, but Mr. Stuart, who wants to install the bust above a café, says it should fit in fine in today's

London. International Herald Tribune.

# Irish Priest Pays Former Altar Boy He Abused

DUBLIN - Ireland's Rofrom a wave of scandals, ad- church had in no way paid any mitted on Wednesday that a part of it. priest had paid compensation to a young altar boy he had sexually abused.

whom he had sodomized and

raped in the 1970s.

The statement made frontpage news in Irish newspapers, where similar stories about statement the priest paid a total of 56,000 Irish pounds (\$90,000) to a man, now 33,

abuse minors have become a The man in the latest scandal, Alan O'Sullivan, told the Irish

It said that the money for the Times on Tuesday that he was was withdrawn from the minabused by the Reverend Patrick istry. payment had come entirely man Catholic Church, reeling from the priest and that the Hughes when he was an altar old.

The diocese said that in The Dublin Diocese said in a priests taking advantage of their and underwent psychiatric a former altar boy. powerful positions to sexually tests, which found that he was that would prevent him continuing in the ministry.

Last week, Archbishop boy between 9 and 11 years Desmond Connell of Dublin said he had lent another priest, the Reverend Ivan Payne, about March 1974 Father Hughes was 27,500 Irish pounds from withdrawn from the ministry church funds to settle a claim by

The statement contradicted not suffering from any disorder an earlier interview in which he had said that the church had never compensated any victim But in 1993. Father Hughes of child sexual abuse.

## Deals Could Mean \$50 Million to Simpson

By James Sterngold New York Times Service

LOS ANGELES - O. J. Simpson walked out of the courtroom saying he was ea-ger to rebuild his life and move on. But it was clear from the deals his lawyers were trying to cut that the past and his notoriety are likely to be constant emotional and financial companions.

Mr. Simpson stands to reap a financial bonanza from his stunning experience, potentially making him far vealthier than he was before his former wife and a friend were slain on June 12, 1994.

Even before the verdict Tuesday, his agents had been discussing deals that could allow Mr. Simpson to earn as much as \$50 million trading on his notoriety. The richest deal being discussed would involve an interview on payper-view cable television. which could bring Mr. Simp-son and his advisers tens of millions of dollars.

Others involved with Mr. Simpson and the trial are likely to earn millions. Robert Shapiro, one of his lawyers, has reportedly hired an agent to sell a book, and several publishing executives said a book by Judge Lance A. Ito could bring him more than \$5

People involved in television, book publishing and films said that while it seemed certain Mr. Simpson would profit to some degree -- even after paying as much as \$10 million for his defense - they cautioned that many media companies were still trying to calculate how much appeal a man accused of being a killer, even one who had been acquitted, might have to a pop-

Advertising companies, for instance, said they doubted any major national company would risk being associated with Mr. Simpson, in part because of lingering suspicions over the killings and in part because of disclosures that he had beaten his wife. Before his arrest. Mr. Simpson had a long career as a spokesman

for Hertz Corp.
"He's poison," said Jerry Della Femina, chairman of Jerry & Ketchum Inc. in New York, referring to Mr. Simpson's prospects as a pitch-

But others said Mr. Simpson's name recognition was so great after the media frenzy surrounding his trial that some companies would glad-

ly try to cash in on it. "After the brouhaha of the case dies down. I think that O. J. Simpson will find him-self in a very lucrative position," said Richard Kirshenbaum, co-chairman of Kirshenbaum Bond & Partners, an advertising agency in New York. "There are many untraditional companies who will be ready to jump on the

An official with one of the companies involved in selling Mr. Simpson expressed deep personal anger over the ver-dict because of her view that he murdered his former wife.

"After the brouhaha of the case dies down, I think that O. J. Simpson will find himself in a very lucrative position."

But then she proceeded to discuss details of one of his ventures, praising the banka-bility of his name.

Added an executive of a media company, "It is hard to think about these things, but it is even harder not to consider them, because of the kind of money that would be

Mr. Simpson's football, acting and promotional careers had made him a very wealthy man prior to the kill-ing of his former wife and his imprisonment last year. His net worth during his divorce in 1992 was estimated at about \$11 million, and he earned close to \$1 million a year at that time, much of it from his work for Hertz.

The home that Mr. Simpson bought in February 1977, for \$650,000 is now worth about \$4 million, according to real estate agents.

It has been speculated that his defense expenses, which have not been disclosed. could eat up much of that

By far the most lucrative deal that his lawyers are now discussing is the pay-per-view interview, which would be broadcast on a cable television network.

CNN was approached several weeks ago by Mr. Simp-son's lawyers about an interview conducted by Larry King, the talk show host, ac-

cording to people with knowledge of the discussions.

These people said no hard figures were discussed, and the proposal was eventually rejected by Ted Turner, the head of the network, and other top executives because of the feeling it was improper to pay for a news interview.

But the people said that such an event might bring in from \$50 million to \$100 million, depending on how much Mr. Simpson was willing to disclose, and that Mr. Simpson and his advisers might receive about 80 percent of

The New York Observer reported earlier that Mr. Simpson's representatives had cut a deal for such an interview, but it gave no fig-ures and did not say with what broadcaster the agreement had been made. Officials at Palmer & Dodge, the firm reportedly repres Mr. Simpson in that deal, did not return calls Tuesday seeking comment.

This spring, Mr. Simpson's agents set up a phone line people could call for a charge and hear a message in which Mr. Simpson declared from "Hi, this is O. J. Thanks for using the juice line. I'd like to thank all of my fans for your support." That ven-ture was expected to bring in many hundreds of thousands of dollars and demonstrated to some Mr. Simpson's earn-

ing potential.
Mr. Simpson already has earned more than \$1 million from his book, "I Want to Tell You," published by Little, Brown & Co. A total of 650,000 copies have been printed and 580,000 shipped

A publishing executive said that a follow-up book has been discussed, with a pro-posed advance of about \$5 million, but that no agreements had been signed.

Mr. Simpson has put together a special limited edition of his current book that will be sold through a "teleauction" by Anmar Inc., a marketing company here. The 3,000 numbered copies are bound in blue fake leather and are contained in a similarly bound box. The books Simpson. They will also have a certificate signed by one of his lawyers. Robert Kardashian, verifying their authenticity.

The bidding for the books begins at \$250 and it is expected that offers could run as high as \$5,000. Mr. Simpson is believed likely to take in several hundred thousand dollars from this sale.



READ ALL ABOUT IT — The British press proclaiming the Simpson acquittal in a variety of headline styles, ranging from the flat to the outraged.

# Who Was on Trial? 'The Black Male in America'

By Kevin Merida Washington Post Service

WASHINGTON — The O. J. Simpson verdict illustrates a paradox of America's tense racial climate. He lived in an exclusive white community, married a white woman, golfed at white country clubs, didn't crusade for black causes and yet was suddenly transformed into a symbol of racial justice.

"He became every black male who's ever been involved in the criminal justice system," said Wilbert A. Tatum, editor and publisher of New York's Amsterdam News, one of the nation's most prominent black weeklies. "It was the black male in America who was on trial." And yet, Mr. Tatum added, "He was more of a success of white America,"

For many African Americans. Orenthal James Simpson is a high-profile surrogate in the ongoing battle to address their grievances with the nation. It is a time, for many, of souring race relations, of cutbacks in social pro-

a psychological victory.

The verdict is clearly a reaffirmation of black public opinion," said a Demo-cratic pollster, Ron Lester, citing surveys throughout the trial indicating that blacks overwhelmingly believed he was innocent. "It kind of confirms that there truly can be justice in America, and that is counter to what most blacks generally believe about the criminal justice sys-

Yet Mr. Simpson was no ordinary black defendant. He had money to de fend himself, status to demand special treatment. And he hardly had the profile to become a civil rights cause celebre.
"It really wasn't about O. J.," said

Elaine Williams, a black barber in the Crenshaw district in South Central Los Angeles. "It was about everything that has happened over the years to black people in Los Angeles."

As to the question of guilt or innocence, "I think people fell on both sides

blacks necessarily felt he was innocent," and say, 'Hmmm, maybe things are not he said. "I'm not celebrating. It's still a as bad as they seem. Maybe people can tragedy. Two lives were lost.

And yet Mr. Tatum noted that in Harlem on Tuesday — as occurred in some neighborhoods in Washington people honked their horns, cheered and applauded the verdict.

"There was something historic about this," Mr. Tatum said. "It displays an already open wound that America refuses to deal with -- and that is racism."

Should anyone forget that, Mr. Tatum added, they should be reminded of a call to the newspaper's switchboard 15 minutes after the verdict: "There's going to be a whole lot of dead niggers and those at the Amsterdam News are first." Whether or not the verdict will exacerbate racial tensions is in dispute.

"Initially, yes," said Frederick Lynch, a professor of government at Claremont McKenna College in California. To a lot relations, of cutbacks in social pro-grams, of political and court assaults on ald M. Payne, Democrat of New Jersey,

hard-won civil rights gains. And so Mr. and chairman of the Congressional suspicions, whereas a guilty verdict Simpson's acquittal represents for some Black Caucus. "I don't think that all would have made people kind of sit back step back and assess the evidence independent of race."

"I think the people who have taken this as a shot in the teeth are the white elite," Mr. Lynch added, "both conservative and liberal."

Mr. Lynch said the trial had highlighted race and gender questions, and that the verdict was likely to create fissures in some liberal coalitions.

"Feminists wanted this trial to be a show trial on domestic violence and the race radicals said, No, this is another frame up of a black man.' And so in a sense, race trumped gender."

Some suggested there needed to be a national truce called before things get out of hand.

"Listening to radio talk shows, it's definitely an us versus them situation." said Emma Rodgers, co-owner of one of the nation's largest black book stores,

# Shapiro, a Defense Lawyer, Attacks Cochran for Playing the 'Race Card'

Compiled by Our Staff From Dispatches

LOS ANGELES -- Robert L. Shapiro, one of O.J. Simpson's lawyers, has condemned what he described as the defense team's tactics of pandering to race and said he would never again work with its most vigorous practitioner, Johnnie

Mr. Shapiro also shot barbs at F. Lee Bailey, another member of the "Dream Team" of defense attorneys that managed to win a verdict of not guilty for Mr. Simpson on two murder

Mr. Shapiro said he disagreed strongly with Mr. Cochran's decision to "play a race card" in the trial.

"Not only did we play the race card, we dealt it from the bottom of the deck," Mr. Shapiro told a television interviewer, Barbara Walters, on Tues-

He also said he was "deeply offended" by Mr. Cochran's comparison of Mark Fuhrman, a former detective with the Los Angeles Police Department, to Adolf Hitler and by Mr. Cochran's contention that Mr. Fuhrman's racism was comparable

to the Holocaust. "To me, the Holocaust stands alone as the most horrible human event in modern civilization," Mr. Shapiro said.
"And with the Holocaust came Adolf Hitler, and to compare this man in any way to a rogue cop, in my opinion was wrong."
Mr. Shapiro said that while
Mr. Cochran "believes that ev-

to race. I do not." "I believe there are certainly racial problems in this country,

Miss Walters asked Mr. Shapiro if he would work again with Mr. Cochran.

"No," he replied. Responding to these state-ments, Mr. Cochran said Mr. Shapiro was possessed by "demons that need to be exor-

Mr. Shapiro also said he would never again speak with Mr. Bailey, his longtime friend. He did not elaborate on his anger toward Mr. Bailey, but the two began feuding months ago after Mr. Shapiro was told that Mr. Bailey had been criti-

cizing him to reporters. At a separate news conference for the prosecution team, one speaker after another choked back tears.

District Attorney Gil Garcetti, voicing both anger and "profound disappointment." asked for more time to reflect before answering a question as to whether the verdict had shaken his faith in the jury system.

For the two lead prosecutors, Marcia Clark and Christopher A. Darden, both also deputy district attorneys, a tiny moment of grief and futility at the news conference seemed emblematic of the collapse of their erything in America is related effort. Unable to finish his sen-

tences, Mr. Darden broke off his remarks with a small wave of his hand and hurried from the room, shaking with sobs. (NYT, LAT)

# Tough Legal Woes Are Far From Over

Los Angeler Times Service Separate suits for wrong-LOS ANGELES — O.J. ful death have been filed by Simpson's legal problems would appear to be far from

He still faces civil lawsuits for the wrongful deaths of his former wife, Nicole Brown Simpson, and her friend, Ronald L. Goldman. The families of both victims have filed suit and it is widely expected that Mr. Simpson will be forced to testify.

Custody of his two younger children may be chal-lenged. Sydney, 9, and Justin, 7, have been living with their mother's parents since their father's arrest and the grandparents have indicated they may fight for custody of Mrs. Simpson's family, by Mr. Goldman's father and sister and by Sharon Rufo, Mr. Goldman's mother.

Legal experts said Tues-day that Mr. Simpson's acquittal on murder charges could help in contesting the civil suits. But they stressed that he still faces a big fight because the standard of proof is dramatically lower in a civil suit than it is in a criminal case.

Also, under the rules that guide civil suits. Mr. Simpson could be compelled to take the witness stand and testify. He did not testify in the murder trial.

### JURY: Weak Case, Not Race, Cited .

Continued from Page 1 said he did not know who the

order of its introduction, er. "There were erasures on re-ports," he said. "We felt that re-read in open court, the jurors

The prosecution's contention come together on the same that Mr. Simpson's rage and his mindset so quickly."

As the jury left Judge Lance were the motive for murder was A. Ito's courtroom Tuesday unconvincing to jurors, Mr. morning, Mr. Cryer thrust a clenched left fist into the air. come off as being insensitive about brutality against wom- you, Mr. Simpson." he said. en." he continued, noting that "Get on with your life. Get your en," he continued, noting that

physically abused his former Quickly, he continued, the came from the older of the two jury agreed that it needed to white jurors, since identified as examine the testimony of Allan Anise Aschenbach. Mr. Cryer Park, the limousine driver who said he remembered her saying, kept checking his watch and "I really think he could possibly looking for signs of his passen. have done it. But I'm not sure." ger, Mr. Simpson, whom he was to drive from his estate to the

Mr. Cryer said there were four points the panel wanted to check: How many cars Mr. Park said were in the driveway; how firm was his memory of whether Mr. Simpson's white Bronco was parked at the curb; what the dark figure Mr. Park said he saw entering the mansion was wearing and where exactly Mr. Park spotted him.

The jurors' discussions were "excited" but not hostile, Mr. two were. The discussion then arrowed to one theme: incon- ed that Mr. Park was mistaken sistencies in the prosecution about how many cars were in the driveway, that he may have The panel was troubled by been influenced by photothe marking of evidence and the graphs that had been taken lat-

there were some problems, that immediately took a second vote they were trying to cover their — at about 2:30 P.M. "That rear ends by making changes in reports." — at about 2:30 P.M. "That was the decisive vote," he said. "I didn't think we would all

"It was like a 'Right on to

prosecutors presented only one kids. Be happy. Get some clo-instance where Mr. Simpson sure in your life."

The strongest statement in support of the prosecution

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# At Police Headquarters, Stunned Anger

Compried by Our Staff From Dispatches LOS ANGELES — You could have heard a needle fall on the hard, bare tile floor of Los Angeles Police Department headquarters when the word came, if it were not for the audible gasps of disbelief

and dispiritedness. The meaning of Tuesday's decision seemed almost too much to contemplate: The jury's acquittal of O.J. Simpson seemed to represent a guilty verdict for the police department on issues of purity and prowess, both of which were repeatedly called into question by Mr. Simpson's defense team.

On the sixth floor of headquarters, a noticeably upset police chief, Willie L. Williams, watched the verdict announcement with members of the media and quickly ushered them out, saying he did not want him or his officers saying something that could harm the case in the event of future legal action.

Despite a departmentwide gag order, many detectives and rank-and-file officers could not contain their contempt - or

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"The credibility of the Los Angeles Po-lice Department was savaged before the world by a defense team that was out to beat the overwhelming evidence," said Officer Jay Johnson. "In the end, our trustworthiness and competence were judged as a result of one very bad police officer. And

had nothing to do with two people being murdered. It had to do with the police department on trial. It just really gets un-

now many of us are paying for it — because we have less credibility." Detective Mark Aragon, a homicide investigator who has been solving murder cases for seven years, said: "I honestly believe if they had caught O. J. on film committing the murders they would have found him not guilty. They would have said it was Fuhrman in an O. J. mask. This

He was referring to former Detective Mark Fuhrman, a lead detective in the Simpson case, whose racist views — on tape — were made public during the trial. The defense said that Mr. Fuhrman's racism led him to plant evidence against Mr. Simpson, who is black.

Officer Evan Williams, who also is black, said of Mr. Fuhrman: "He is an aberration. We do not have a department full of racists."

ment, he said.

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Officer Clark Baker speculated that the verdict may prod the department to develop new methods for collecting evidence. But, he said, "Morale has hit rock bot-

And Commander Tim McBride said, "There are people on death row with a lot less evidence against them than O. J. Simp-son. Nonetheless, the jury has spoken." Chief Williams denied that the verdict

was an indictment of the department and its way of operating.

But one sergeant disagreed. "None of my people believe that" it isn't an indict-

For at least one officer, the outcome of the trial was too much to take. Detective Andy Monsue, who investigates major assault crimes, said he has decided to leave the department and Los Angeles. "This is the straw that broke the carnel's back," he and I believe that peaceful solusaid. "A lot of us are going to leave the tions can help bring the races department, me for one." (WP, LAT) together," he said.

# POLICE: Tensions Are Heightened

rough justice by acquitting Mr. Simpson, an action that in the view of some will have a farreaching, positive impact on the black community here.

"I think this jury sent a message that the time has come here in Los Angeles and in America that there must be a level playing field for everybody," said

affluence. O. J.'s celebrity and

Even before the verdict, it cally successful. was plain just how passionately the Simpson case pressed upon done is allow the brownshirts in the sore spots of the city's psy- the courtroom while he's argu-

Johnnie L. Cochran Jr. showed up at the courthouse last week surrounded by bodyguards from the Nation of Islam, many Jews, including Ronald L. Goldman's father, took deep offense, recalling the group's reputation for anti-white and anti-Semitic invective. Ronald L. Goldman was killed along with Nicole Brown Simpson,

Tuesday, some members of Los Angeles's large Jewish community reacted bitterly to the

"This is a disaster for black-

"What Johnnie Cochran has che. When the defense lawyer ing about racism," he added.

# What People Are Thinking

# Continued from Page 1

John Mack, president of the Urban League of Los Angeles. "If we are going to be com-pletely honest," he added, there is the issue of class and status enabled him to retain a

Mr. Simpson's former wife. acquittal.

Jewish relations," said Joel superstar African-American Kotkin, a public policy fellow lawyer in contrast to what is at Pepperdine University and more typically experienced by the author of "Tribes," a book the average person in South about how various ethnic and Central L.A." racial groups become economi-

eral national polis taken immediately after O.J. Simpson's acquittal gave the public a chance to issue its own verdicts: About half said the jury was wrong, and many linked the outcome to Mr. Simpson's wealth and celebrity. The polis also found the

tice system among blacks In a CBS News poll of 861 adults, 50 percent said it was right. But 59 percent of whites said the verdict

### About Verdicts The Associated Press LOS ANGELES - Sev-

verdict increased confidence in the criminal justhe jury's verdict was wrong and 41 percent said was wrong, while 87 per-cent of blacks said it was

#### INTERNATIONAL

 $Q\&A\colon$  U.S. Hosts Conference of Defense Ministers

# Eastward Expansion of NATO: The Key to Future Stability

The U.S. defense secretary, William J. Perry, will be the host of fellow defense ministers from NATO nations beginning Thursday at Williamsburg, Virginia. High on their agenda will be expansion of the North Atlantic Treaty Organization and Bosnia, Mr. Perry discussed these topics with the IHT's Brian Knowlton.

Q. You recently visited four ex-Warsaw Pact countries. How fast can you pull them — or push them along the road to NATO member-

A. NATO expansion is off somewhere in the future, but what was stunning to me is how much effect the idea has already had. Just the prospect of NATO expansion has caused these countries to make dramatic progress in the areas required for membership: progress toward democracy, progress toward a market economy, progress toward civilian control of their military, stabilization

Of Macedonia

ed on to save his sight.

oriented Liberal Party.

heads the powerful business-

tile southern Balkan republic.

continue his attempts to soothe

relations with powerful neigh-

bombing was carried out by

Macedonian nationalists op-posed to Mr. Gligorov's efforts

to end a four-year diplomatic and economic dispute with Ath-

He said the attack on the 78-

Western diplomats said Mr.

of relations with their neighbors and compatibility of their military forces with NATO.

In Hungary, we saw the progress that they had made in stabilizing their relations with Romania, which just a few years ago posed a danger of conflict. We see the same process between Hungary and Slovakia. So what seemed like intractable problems with ethnic minorities, like we've seen caused an explosion in Yugoslavia, are now getting resolved.

Q. Do you think Russian leaders' objections are primarily for domestic consumption?

A. Much of the Russian response on NATO's action in Bosnia is politically motivated. But I do not see the NATO expansion issue as being purely political. I do believe that Russia, and the Russian people, have looked at NATO as the enemy for so many years that the argument of moving NATO up to Russian borders resonates with many people.

Q. What view will emerge at the ministerial meeting about the new ons; we'll continue to work with alliance report on eastward expansion of NATO?

A. Since the ending of the Cold War, we've had one very major objective, which is to get the dismantlement of the nuclear weapons, the ending of the balance of terror and, at the same time, dismantling of the massive conventional weapons built up in that war. All of that action requires intense cooperation with the Russians.

In parallel with that has been bringing the Central and Eastern European nations into the security ar-

chitecture of Europe.

Those two overarching security coals have at times come into conflict. In particular, because we are moving forward with plans for NATO expansion, Russia tends to back off from cooperation in those other areas.

We are working with the Russians on the Nunn-Lugar program [about]

them on the CFE [treaty on reducing conventional forces]. But we have not backed off the objective of NATO

Q. Is Russia going to be allowed to change the CFE treaty, essentially to keep forces around Chechnya? A. It's perfectly reasonable to con-

sider adjustments in the treaty [after the dramatic geopolitical changes in Europe. . . All of the details of that treaty were specified based on a very different set of boundaries and political conditions.

Q. What are U.S. conditions on sending troops to a UN peacekeeping force in Bosnia?

A. First of all, there must be a peace agreement signed and accepted by all warring parties; secondly, the peace implementation force, which we expect it will; third, that peace implementation force must be under

the command and control of NATO, and fourth, we have to consult with

our Congress to get support.
The United States will propose to be a significant part of such a significant force — somewhere between a third and a half of it.

Q: How many U.S. troops? A: We're thinking in terms of about a division [about 20,000 men in the U.S. military].

Q. The latest French nuclear test in the Pacific has made a lot of people very angry. The Clinton administration has seemed quite restrained in expressing its regrets about those

A. I hope and I expect that when they complete these tests — as few as possible — they will join us in a move to have a fully comprehensive test ban treaty.

Q. How do you feel about Colin L. Powell, a graduate of this building, as a candidate for the presidency?

A. Colin's a good friend, but I

# U.S. Says Bosnia Army May Need Special Training After Peace Deal

special training to strengthen the agreement." the Bosnian Army after a peace deal is signed, Defense Secre-

The goal, Mr. Perry said, would be to avoid leaving the Bosnian government forces in a weak position once the peace settlement is implemented and NATO forces leave. Such weakness could lead to reigniting hostilities, he said.

But both Mr. Perry and the visiting French defense minister, Charles Millon, indicated their opposition to further arming of Bosnian government

The NATO secretary-general Willy Claes, also in Washing-ton, said allied troops must remain strictly neutral in enforcing a peace settlement.

"NATO troops will not be asked to fight a war in the Bal-kans on behalf of one side against another," Mr. Claes

The Associated Press if the Bosnian government is sending arms to the Bosnian WASHINGTON — The satisfied with the peace settle-Clinton administration may ment and wants us there, and propose that an outside group only if all the parties have including Americans provide signed and pledged to respect

Mr. Claes said the plan included the pullback of warring tary William J. Perry said forces behind agreed demarcation lines, the insertion of NATO forces into the resulting buffer zone, and the monitoring of compliance with the peace

> Mr. Perry said training for the Bosnian Army would be among the topics discussed at a meeting of NATO defense ministers Thursday and Friday in Williamsburg, Virginia. The ministers also will hear General George Joulwan, chief com- of power in Bosnia, Mr. Perry mander of NATO forces in Eu- said, the U.S.-led alliance rope, lay out the latest plan for would have to either get all parusing alliance troops to imple-

ment a peace plan.
On Tuesday, Mr. Perry said that the NATO allies had not yet agreed to his idea of providing special training for the Bos-

nian Army.

Responding to reporters' questions at a picture-taking session in his office with Mr.

But he did say: "We do not want an arms race established in Bosnia. That would be the

worst thing that could happen. Mr. Perry said the aim would be to "professionalize" those forces so they were better able to defend themselves.

Asked his view of this idea, Mr. Millon strongly suggested that he would oppose arming the Bosnian Muslims.

"France looks forward to organizing a multinational force rather than arming the belligerents and possibly facing the horrors that could follow," he

To achieve a better balance ties, including the Bosnian Serbs, to reduce their armaments or, alternatively, help strengthen the Bosnian Army.

Other defense officials, speaking on condition of anonymity, said Mr. Perry's idea of professionalizing" the Bosnian Army meant providing advice and training — possibly includ-ing field training — but not

# **UN Alleges Massacre** Of 9 Elderly Serbs

## Killings Are Called the Worst Since Croats Entered Krajina

By Chris Hedges New York Times Service

ZAGREB, Croatia - Nine elderly Serbian civilians were massacred in a Croatian village, apparently by men in Croatian Army uniforms, in the worst single attack against Serbian cilage were alive and in good vilians since the Croats recaphealth. But on Monday, UN tured the southern Krajina re- officials found the names of

Yasushi Akashi, the senior UN envoy to the former Yugoslavia, said the UN had "first-hand evidence" of the murders and had found bloodstains, human hair and skin in the homes of the victims. Mr. Akashi said the Serbs were reportedly killed by "three to four men in uni-

The bodies of the victims, ern Krajina on Thursday. UN officials said they had requested access to a witness, a woman who they said was being held by the Croatian police on an island near Ogulin.

Croatian police said they were investigating the killings and would allow the UN to interview the woman.

Croatian troops have been accused by the UN of atrocities, including the murder of Serbian civilians, since Croatian forces recaptured Krajina from seces-

sionist Serbs in August. The Croatian offensive drove more than 120,000 Serbs, many of whom had lived in Krajina for generations, from their homes. Only about 3,500 Serbs, most too elderly or infirm to

flee, stayed behind. These remaining Serbs had been subject to harassment, and their homes had been looted and burned by Croatian troops, ued, they would shut down the according to UN officials. Rwanda tribunal and render More than 120 Serbs, most over unconscious the Yugoslav trithe age of 60, have been mur-bunal," said Richard Gold-dered in the last two months, stone, a South African jurist and UN monitors in Krajina who is chief prosecutor for both find an average of four to six tribunals.

Knin, Alun Roberts, called the ing Radovan Karadzic, leader latest murders "the worst single of the Bosnian Serbs, and Genact of killing since the Croat eral Ratko Mladic, their milimilitary authorities took con- tary commander.

trol of the area" in August. The UN commander in Knin, Brigadier General Alain Forand, said the violence by the Croats in the Krajina was "out of control."

UN officials who visited Varivode on Sept. 11 said the 17 Serbs who remained in the vilgion from secessionist Serbs in nine of the Varivode villagers August, according to senior on fresh graves in the cemetery United Nations officials. in Knin, about 30 kilometers (18 miles) northeast of the vil-

#### ■ Panel to Hear Evidence

The United Nations war crimes tribunal for the former Yugoslavia is to begin hearing evidence on Monday in the case against a Bosnian Serbian camp commander, Dragan Nikolic. ranging in age from 66 to 84, the tribunal said Wednesday in were discovered by relatives in the Hague, Reuters reported, the village of Varivode in southby the tribunal in November 1994, is charged with torture, murder and other crimes against humanity.

The work of the tribunals and that of one established to prosecute charges of genocide and war crimes in Rwanda is being seriously impaired by UN spending restrictions, the chief prosecutor of the tribunals said Tuesday, The New York Times reported from Warsaw.

The tribunals are prevented from spending the money to send investigators into the field, recruit lawyers and other personnel or renew contracts of current personnel as a result of restrictions on UN agencies imposed by Secretary-General Boutros Boutros Ghali last month in the face of a financial

If these restrictions contin-

bodies a day. So far, the Yugoslav tribunal But a UN spokesman in has indicted 43 people, includ-

0-95



Richard Holbrooke, the U.S. peace envoy, after meeting with the Bosnian president on Wednesday in Sarajevo.

Against another, Ivil. Clear said in a speech to the National Press Club. "We will go in only plicitly address the issue of necessarily supplying weapons."

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# The Simpson Verdict

#### Justice Stained

Whatever one thinks about the shockingly swift acquittal of O. J. Simpson. "trial of the century" has left a stigma on U.S. criminal justice that could take years to repair. There was considerable scientific and circumstantial evidence incriminating Mr. Simpson in the murders of Nicole Brown Simpson and Ronald Goldman. Many people who followed the trial closely on television will continue to believe him guilty. To them, there were simply too many confluences of timing and data to dismiss.

Still, a jury with solemn instructions of "reasonable doubt" ringing in its ears rendered a verdict of not guilty. It was understandable given the relentlessly exposed bungling of the Los Angeles Police Department. Its investigators made so many errors that the mountain of evidence against Mr. Simpson began to look like an eroding sandpile.

The prosecution compounded the police bungling when it put Mark Fuhrman, a racist detective, at the center of its case. During the Simpson trial, he lied about his own racist speech, and tapes emerged betraying his willingness to tamper with evidence. Since Mr. Fuhrman was alone when he found one of the most incriminating pieces of evidence, a bloody glove, and since he may have been in a position to tamper with other evidence, his exposure as a racist threw doubt on much of the prosecution's case and allowed the defense to play the race card. But his presence was only part of a tragedy of errors. The police failed in their

### Don't Change System

A screenwriter who brought a script resembling the O. J. Simpson saga to Hollywood would surely be turned away on the grounds of overdoing American stereotypes.

The defendant was a bandsome, engaging, black sports hero who had made friends and inspired fans across the spec-

None of them wanted to believe that he had committed a crime. The victims — his glamorous, blond

former wife and her unfortunate male friend who turned up in the wrong place at the wrong time — were sympathetic.

And the really bad cop, the witness whose testimony was critical to the pros-

ecution's case, was a white bigot whose whole history lent weight to the suspicion that he just might have planted evidence to destroy a black man. The supporting cast was a stereotypical stew: the high-powered, high-priced

lawyers; the yuppie-ish woman prosecutor; the California surfer-type guy called Kato Kaelin. There was something here for every-

body's prejudice, for everybody's fear, for everybody's anxiety — and/or contempt.

With all this baggage, it was probably inevitable that millions of observers would have been disappointed no matter how the case came out. Tuesday's acquittal of Mr. Simpson certainly stunned and disappointed those who thought the government's evidence was overwhelming, even as it satisfied those who believe that the system — and in particular the Los Angeles Police Department — is so rotten and biased as to provide room for a should not lightly be changed in reaction reasonable doubt in any case where race to a single verdict. is a factor.

elementary duty to call medical examiners for hours after the victims' bodies were discovered. In an age when the science of blood identification holds promise of dependably solving many crimes, the law enforcement teams managed to mishandle enough blood to shake the public's confidence and provide the jury a reason or an excuse — to acquit.

Criminalists carried blood evidence away in an unrefrigerated state. A detective carried a sample of the defendant's blood on his person for half a day, opening the possibility of planting false evidence. After examining Mr. Simpson's vehicle, the police left it in an open parking lot.

Whether these cumulative errors and possibilities for tampering invalidated all of the forensic evidence, they opened the way for jurors to conclude that there was reasonable doubt about the damning laboratory findings. There were plenty of other flaws in the trial. Judge Lance Ito let the case drag on needlessly by conducting it for the convenience of the lawyers. The defense team piled up tactical coups, but tarnished its triumph with a prejudical appeal to the predominantly black jury to look beyond the simple issue of Mr. Simpson's guilt or innocence and send a message to society. The prosecution case was clumsy and overcomplicated.

And the jury, after being locked up for nine months, took less than four hours to reach its verdict. That was clearly too little time for a methodical sifting of the evidence and the conflicting claims of the closing arguments. But in the end, this will be remembered as a case that was disrupted by the police.

-THE NEW YORK TIMES.

It is only speculation that the jurors, nine African Americans, two Caucasians and one Hispanic, came to their conclusion by that route, but it is likely. We hope that they will speak out in the coming days and that they will be candid about their reasoning

But it is already clear that the culture of the Los Angeles Police Department and the character of some of its officers had a profound effect on the outcome

As for the future, there may be civil suits against Mr. Simpson filed by the families of the victims. The standard of proof will be lower than that required in criminal court, and the families may win money damages.

But the criminal proceedings are over. Since there appears to be no evidence linking anyone else to the crime, it's quite possible that the killer will never be brought to justice.

Even though the case has been completed from a legal point of view, it will continue to have an impact on American society, first, because so many millions watched the trial and formed strong opinions about how it was handled and concluded, and second, because those who were shocked by the verdict are likely to demand wholesale revisions in the criminal justice system.

This is a dangerous enterprise at a time when emotions run high. The protections afforded defendants in American courts are the result of centuries of refinements designed to protect the citizen from a

capricious and vengeful sovereign.

They may not ensure a universally popular result or even a just one, but they exist to guarantee a fair trial to rich celebrities and common folks alike. They

-THE WASHINGTON POST.

# Nigeria's Nemesis

Nigeria's General Sani Abacha has played a cruel joke on the 100 million people he purports to lead. He chose the 35th anniversary of Nigerian independence to announce on Sunday that black Africa's most populous country is somehow still not ready for self-government.

The general grabbed power in 1993, dissolved all political parties and legislatures, and jailed his civilian rivals. Now he says he intends to rule at least three more years before handing over power to an elected government.

True, he has responded to international pressure by commuting the death sentences for some political prisoners, but no leniency was shown Moshood K. O. Abiola, the presumed winner in a June 1993 election voided by the military. Chief Abiola still awaits trial on treason

charges, a capital crime. General Abacha also lifted the ban on three opposition newspapers and promised to relax some restraints on political parties. But these grudging con-

cessions are not enough. By every measure, military rule has been a calamity for Nigeria. Despite bountiful resources, a thriving oil in-

dustry and an educated work force. Nigeria is bankrupt; annual per capita income has plunged to \$250, from \$1,000

Small wonder that so many Nigerians yearn for an accountable government and real freedoms.

Among them are Olusegun Obasanjo, the only general to turn over power to elected civilians, who has since been jailed as a supposed traitor, and the novelist Wole Soyinka, Nigeria's Nobel laureate.

Creditably if quietly, President Nelson Mandela of South Africa has made plain his country's dismay over repression in Nigeria. President Bill Clinton is said to have telephoned General Abacha to protest secret trials.

America has imposed limited sanctions on military sales, but it has held back from more punishing measures.

Randall Robinson of TransAfrica, a leader of the campaign against apartheid in South Africa, now suggests that Nigeria's rulers cry out for comparable ostracism. General Abacha is making Mr. Robinson's case.

-THE NEW YORK TIMES.



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# The Jury Was Convicted in the Trial of the Century'

WASHINGTON — Hyperbole expands in societies where articulateness atrophies, so the circus in Los Angeles was called "the trial of the century," which puts the proceedings at Nuremberg in an interesting perspective. Actually, from the start it was the jury that was on trial. It did not acquit itself well.

Incited by Johnnie Cochran - good lawyer, bad citizen - to turn the trial into a political caucus, the jurors did that instead of doing their banal duty of rendering a just verdict concerning two extremely violent deaths. The jurors abused their position in order to send a message about racism, police corruption or whatever.

There was condescension, tinged by racism, in some of the assumptions that the jurors would be incompetent jurors and bad citizens — that they would be putty in the hands of defense attorneys harping on race, that they would be intellectually in-capable of following an evidentiary ar-gument or, worse, that they would lack the civic conscience to do so. But those assumptions seem partially validated by the jury's refusal even to deliberate.

Life is full of close calls, but the question of O. J. Simpson's guilt was not one of them. If 90 percent of the evidence against him had been excluded - indeed, if the

By George F. Will

defense had been allowed to decide which 90 percent would be excluded - the remaining 10 percent would have sufficed.

Ten percent of the evidence would have sufficed had evidence been germane. which it was not when the trial was transformed into a seminar on Mark Fuhrman's viciousness and society's defects.

The defense brassily said to the jury approximately what Groucho Marx said in the movie "Duck Soup": "Who are you gonna believe, me or your own The result has been a lesson about what happens when the reckless, rampant politicization of life encompasses even the criminal justice system: People get away with murder.

away with murder.

This case — which has given a new cast to the familiar question "Can a black man get a fair trial in America?" — leaves a debris of disturbing facts: The defense team demonstrated that if you have enough money to throw at the criminal justice system you can tie it up, like Gulliver among the Lilliputians, with a thousand threads of procedural tangles. The incompetence, or worse, of public institutions such as the Los Angeles Coro-

thought. The experience of the African American community with police departments often is beyond the comprehension

of white Americans. Another chilling residue of this debacle should be the realization that nothing no institution, no pattern of civility - is

spared the ravages of racial thinking. For more than a generation now, U.S. public policies such as affirmative action, the racial spoils system and the cult of "diversity" have been teaching the nation that groupthink is virtuous.

Such policies have taught this by encouraging identity politics — the politics of thinking that you are but a fragment of the racial or ethnic group to which you belong and you have few if any obligations beyond it. Such policies have taught this by making it admirable — and lucrative — to identify with grievance groups defined by their resentments of the larger society. Such policies have taught this by accommodating the doctrine of categorical representation — the doctrine that the interests of a group can be understood, empathized with and properly represented only by members of that group. Given all this, it is not surprising that the jurors had no pangs of conscience

ner's Office is even worse than you about regarding Mr. Simpson merely as a member of a group — and not seeing his victims at all. People who think "race-conscious remedies" for this or that can be benign are partly to blame.

At least there should now be sober reconsideration of the presence of television cameras in courtrooms. One question is whether it is good for society to treat the criminal justice system as a source of entertainment. It simply will not do to chant the mantra about "the public's right to know." The impulse often behind that is just voyeurism tarted up in rights talk. The public's "right" to whatever entertains it is not sovereign over considerations of the moral standing and proper functioning of the criminal justice system.

Regarding the latter, Mr. Cochran himself says that he believes some of Judge Lance Ito's rulings during the trial were made as they were because the world was watching. If so — if cameras are not a passive presence, if the act of observing alters that which is observed - then the case against cameras in courtrooms is irrefutable. And so perhaps it is possible to hope that the Simpson circus, which was without precedent, will not be any similar circus precedent.

Washington Post Writers Group

# To Preserve the European Union, Leaders Must Transform It

#### By Giles Merritt

BRUSSELS — Helmut Kohl, who is emerging as a statesgroup members that there are no man with a stature akin to Bismarck's, has called it "Agenda easy solutions. A number of interlinked questions threaten to set 2000." By that he means the tangle of knotty problems that con-front the European Union between the EU countries against one another and destroy their unity. To underwrite the post-Cold now and the turn of the century.

The difficulties that make up Chancellor Kohl's agenda are the structural changes that Europe must make to turn its 50-year-old ideas about a common market of six countries into a much more muscular political and economic bloc that within a decade or so could number 20 or 30 countries.

These ambitious plans for shifting European integration into high gear reflect the widespread anxiety that unless Europeans unite, they are doomed to lose their privileged place near the top of the global pecking order. But if the stakes are high, so are the risks. The issues contained in Agenda 2000 are deeply divisive; rather than advance the cause of European integration, they might instead lead to serious setbacks.

All these issues are to be addressed by an intergovernmental conference of the 15 EU states that is to begin next spring. Throughout the past few months, officials and politicians have wrestled with the questions that will shape the new Europe. They are not entergovernmental "democracy" couraged by what they see.

held within the so-called reflec- may protest that their national intion groups, which bring together representatives of all the member states, to decide how the conference will work. It has become have enjoyed an even footing with abundantly clear to the reflection the Union's five major powers.

War security of Western Europe,

the Union's leaders have decided in principle that they should admit former Communist states such as Poland, Hungary, the Czech Republic and possibly Slovakia. The apparently ineluctable process of EU enlargement will also bring in Mediterranean nations like Malta equal members.

and Cyprus by the century's end. This year's addition of Sweden, Finland and Austria has already begun to impose serious strains on the Union's administrative and decision-making machinery, and the prospect is of paralysis leading to breakdown. What is more, the economic weaknesses of the countries that the Union feels it must embrace for geopolitical reasons could well bankrupt the EU budget.

The implications of these probiems are so harsh that Europe's political leaders avoid spelling them out. To streamline EU decision-making, the traditional reliance on consensus must be will mean that governments can Exploratory talks have been be voted down, even though they terests are at stake. The main losers are likely to be Europe's small countries, which until now

Another form of second-class citizenship is seen as inevitable for the next batch of EU newcomers. If Central Europe's farmers (most notably Poland's millions of peasant smallholders) were to gain access to the Common Agricultural Policy's handsome subsidies, the budget contributions of the present member states would need to rise by at least 60 percent. That is clearly a political nonstarter. The Central Europeans will not be allowed unrestricted access to EU funds, and so they will not be

The dilemma that Europe's leaders face is that to preserve the Union they must transform it. The equality between nations that has formed the basis of Europe's political and economic integration since World War II has to be abandoned.

Either that or enlargement cannot take place and the Union will remain an exclusive club. But the conflict that rages in the former Yugoslavia is widely seen as a warning against precisely that sort of isolationism.

As if these major issues were not enough, there is also the need venient scapegoat by politicians currency and those that do not. everywhere, and partly because of that emanate from Brussels.

makers who meet in Brussels. The deliberations of the Council of Ministers, between member govemments' ministers and ambassadors, take place behind closed doors. The European Commission has a penchant for secretiveness, and the European Parliament still has only limited powers.

The mood is increasingly one of skepticism, and that bodes ill for treaty changes that will be widely seen as add-ons to the already unpopular Maastricht treaty. In many EU countries, the conference's changes will need to be approved by referendums. The betting is that Europe's voters will approve changes only if they are also offered a greater say in EU decision-making.

Two other specters haunt the intergovernmental conference. Neither is on the agenda, but neither can be ignored. The first is monetary union and the creation of a single currency.
Whether or not that goes ahead

in 1999, given the tensions now becoming plain between Germany and other EMU candidates such as France, Italy and Belgium, the EU governments neto win back the support of Eu- table will be forced to assume that ment and lack of direction. rope's citizens. The Union is un-monetary union will sooner or latpopular with Europe's voters, er split the Union into those coun-

than just a catch phrase. There is a the conference. By 1999, the EU widening gap between Europe's countries have to agree on a new

voters and the often unelected law- budget deal to fund the ambitious new Europe now under discussion. That is certain to set at each other's throats the countries that are net beneficiaries of EU spending and

those that are net contributors. When the Union's leaders met recently in Majorca, Spain, to informally review the conference issues, they not surprisingly refrained from detailed comment. But among the experts and officials whose task it is to bring the conference to fruition, two camps

are emerging.

One can be labeled the "muddling through" school, which will try to square such impossible circles as reconciling enlargement with continued decisionmaking by consensus. The other camp is made up of those who advocate radical change. They argue that Europe can no longer tinker with the Treaty of Rome and its outdated institutions. Instead, they say, the EU countries must seize this opportunity to rethink the executive and legislative powers of Europe.

Political inertia will favor those who are content to muddle through, even though that may condemn the Union to a lingering gotiating around the conference death from uncertainty, resent-

There is a strong argument for sparking a Europe-wide debate partly because it is used as a con- tries that subscribe to the single over radical change. Any hopes of a more imaginative approach rest The divisiveness of having an largely on the shoulders of Helthe high-handed style of the edicts inner core of EMU countries and mut Kohl, who has yet to do for an outer periphery will be further European integration what Otto "Democratic deficit" is more aggravated by the second ghost at von Bismarck did for 19th-century German unification.

International Herald Tribuna

# Arafat Hopes to Woo America With a New, Soothing Banality

WASHINGTON — Yasser Arafat is an action painting in progress, changing shape and meaning before your eyes as the most recent touch of color dries. He is trying with Israeli help to cast himself as Palestinian president in waiting, a long lost friend of America's and even a tired family man who travels too much

and never sees his kid. That was the Arafat who dropped by The Washington Post after signing a second peace ac-cord with Israel at the White House last week. When he responded to a reporter's question about his family life (he married in 1990 at age 61) with a complaint about never being home, he achieved the one thing I never thought Mr. Arafat capable of:

total banality.

By Jim Hoagland

East. An image change, from revolutionary and terrorist to caring parent and Yasser Everyman, is all in a day's work for Mr. Arafat.

Israel's leaders have discovered, to their alternating relief and horror, that Mr. Arafat will do whatever the circumstances require. It is pointless to analyze the statements he makes to different audiences to prove that the real Mr. Arafat is a secret unconverted terrorist or an ardent peacemaker. There is no real Mr. Arafat beyond the needs of the day.

This is inevitable for a man who has emerged as the dominant nought Mr. Arafat capable of: leader of a people who have known only occupation or exile for centuries. Under the Turks,

pay if it will help keep Americans politically involved in the Middle Palestinians have had to adapt and survive as their indigenous leaders have been systematically cut

down by their occupiers.

In a historic gamble, Prime
Minister Yitzhak Rabin and Foreign Minister Shimon Peres turned that equation inside out two years ago. They brought Mr. Arafat back from exile to preside over the fiefdoms of Jericho and Gaza. Now they have promised him authority over the remaining populated areas of the West Bank and an opportunity to win legitimacy as Palestinian leader in a free election

six months from now.

Weary of running Palestinian
lives and of the enormous expenditures on security that required. Mr. Rabin is pumping up a

still unsteady Palestinian leader-ship. The Israeli leader has re-nationalism Mr. Saddam and Mr. fused to let terrorist bombs and other attacks on Israeli civilians shake his determination to pursue the peace process - just as firmly as previous Israeli governments refused to let Palestinian terrorism deter them from attacking Palestinian bases in the war process. In those Cold War days, Mr. Arafat served a useful purpose

Soviet largess: As the personification of Palestinian terrorism. he frightened Americans into caring about the Middle East. A revolutionary Palestine Liberation Organization, backed by the Soviet Union, might destroy Israel and overturn Arab

for the Israelis and for Arab gov-

ernments dependent on U.S. or

regimes valuable to Americans for oil and other reasons. America had to be involved. With the Cold War ending, Mr. Arafat got one last shot at playing the bogeyman. He eagerly plunged into the trenches with Saddam Hussein. As usual, the

Iraqi dictator overdid it: The Unit-

Arafat championed during the Gulf War.

An Arafat unable to scare Washington or seduce Moscow was of no use to Arab leaders, who abandoned him. The Palestinian had only one option left. He could be useful in keeping America in-volved in the Middle East not by making threats of war but by making promises of peace. And Mr. Rabin decided that Mr. Arafat was at last weak enough for Israel to take seriously and even to grant

concessions if required. The Israelis have discovered what Arab leaders already knew about Mr. Arafat and what Americans must now absorb. He plays a weak hand well. He has made himself, and the establishment of an effective state government, in-dispensable to Mr. Rabin and Mr. Peres. They are locked in a tough political battle with the hard-line Likud opposition, which maintains that force is the only way to deal with Palestinian terrorism.

Washington Post Writers Group.

### IN OUR PAGES: 100, 75 AND 50 YEARS AGO

#### 1895: Mixed Marriage NEW YORK - The South Car-

has for the moment turned aside consider a question equally vital [Oct. 3] sitting, section 34 of a proposed legislative ordinance safeguard against vice. was considered. It reads thus: "The marriage of a white person with a negro or a mulatto, or a person with one-eighth or more of negro blood, shall be unlawful and void." The motion, slightly mod-ified, was passed, and the convention adjourned for ten days,

#### 1920: Young Energy

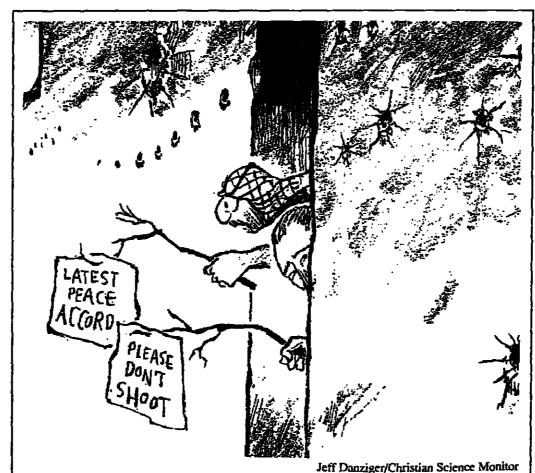
tivity for the young, be it sport or played.

non-onerous tasks. Unfortunately, at the same time that the purolina Constitutional Convention vastly encouraged, the lures in the the discussion of negro suffrage to tion have increased and become great cities to unfettered dissipaand sensational. At yesterday's revolting degree, Proper vents for intensified in an alarming, even exuberant energy are the greatest

#### 1945: 'Stateless' Jews FRANKFURT - Approximately

90 per cent of the 25,000 to 30,000 Jews in the United States zone of occupation in Germany who are classified "stateless" want to settle in Palestine. The fact was pointed up when a group of Amer-PARIS — [The Herald says in an sheim camp for Jewish displaced editorial:] Youth goes wrong very often because it lacks a legitimate special outlet for its surplus energy. forces in the European Theater. A Scarcely anything better can be done for the health of society than

-the Only Solution to the Jewish to encourage proper physical ac-



### **OPINION/LETTERS**

# A U.S. Military Porkfest **Fattens Contractors**

By Andrew Cockburn

WASHINGTON — Next year the United States will spend at vessels. Small wonder that military least \$247 billion on defense, a figure that should give pause to those who worry that shuttered bases and short rations.

Military spending peaked at \$304 billion in 1991, the year America won the Cold War. Nearly five years later, the budget has decreased by less than 20 percent, despite the lack of any real threat - unless you agree with the imaginative Lockheed salesmen who have invoked the potential menace of McDonnell Douglas F-18s in the hands of the Canadian Air Force as partial justification for buying their new F-22 fighter.

With such meager budget cuts, how is it that America's actual combat forces are disappearing so quickly? The army has lost about 40 percent of its combat battalions since 1990. Air force combat strength is down by almost 50 percent. The navy's active fleet has shrunk from 546 ships five years ago to 361 today. Sad stories abound of threadbare conditions, such as armored units training on foot because there is no money to put gasoline in the vehicles.

The problem is that the apparent goal of military spending is to direct as much money as possible into corporate coffers. The Pentagon is thus spending huge sums on research and development projects. Even if they result in any new hardware, it will be far too expensive to build more than a few of them.

The development costs of the F-22 fighter, ostensible future shield against the Canadian menace, will be \$2.2 billion next year. The F-22 is scheduled to go into production by the end of the century at an average price of at least \$110 million per plane.

That at least is cheaper than the disastrous C-17 transport plane. which is unable to ferry the originally required load across the Atlantic without refueling. At \$250 million to \$260 million each, this financial lifeline for McDonnell Douglas is far more expensive than the more efficient C-5B transport. which went out of production

The navy plans not to refuel 688 nuclear submarines in order to gen-

this year. Back in the Reagan days, such silenced production lines are raids on the Treasury drew obloquy evidence that the military is on from the press and Congress. Nowadays almost no one seems to care. especially those in the Pentagon and White House.

'Don't talk to me about saving money," a high-ranking Clinton Pentagon appointee said of his department's budgetary windfall.
"We can't even spend the money

This is not to say that the Pentagon lacks initiative in unloading the cash. When Martin Marietta bought General Dynamics' aerospace business in 1994, the Defense Department donated \$60 million toward the costs of the pur-chase. This year, when Martin Marietta merged with Lockheed, the top executives from both companies announced plans to dismiss 20,000 employees and award themselves \$92 million in bonuses. Incredibly, the Clinton administration agreed to contribute \$31 million taxpayers' money toward this payout.

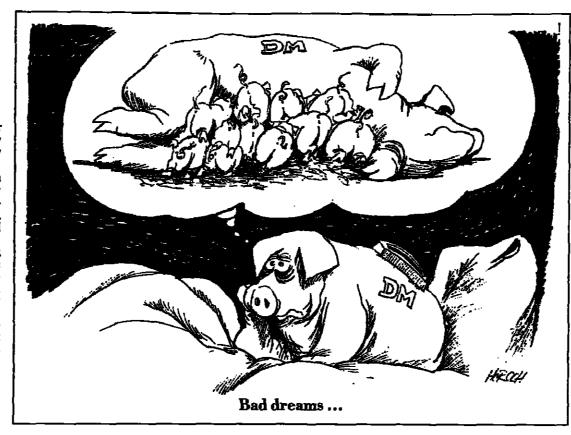
It is unlikely that even former Defense Secretary Caspar W. Wein-berger, helmsman of the Reagan administration's spending spree, would have countenanced such an arrangement. Nor would he have dared retain an interest in a company receiving Pentagon contracts.

Yet Defense Secretary William J. Perry, his former deputy, John M. Deutch, who is now director of Central Intelligence, and Paul G. Kaminski, the Pentagon's undersecretary for acquisitions and technology, controlled a Virginia high-tech company called Cambridge Research Associates when it received an \$825,000 defense contract — its first ever -- in May.

Cambridge specializes in "virtual reality" computer modeling techniques. In actual reality, the Clinton defense porkfest will leave America with a military whose purpose is largely to service contractors balance sheets.

Let's hope that Canada stays

The writer, a contributing editor at Vanity Fair, contributed this comment to The New York Times.



#### LETTERS TO THE EDITOR

#### Technology and Jobs

Howard Curtis Reed argues ("For a World Effort to Help Rein In Job-Destroying Technology," Opinion, Sept. 18) that technological innovation destroys jobs and dimin-ishes corporate profits by causing ever-shorter product life cycles. He suggests restricting the transfer of advanced technology from developed to developing countries to save jobs in the former's industries and guard the latter against "untimely nvestments" doorned to exacerbate

This would clearly not be in the interest of emerging-market economies in Eastern Europe, Asia, Africa or Latin America. Historically, the catching-up of poorer countries depends on making good use of products and processesthat often were designed in developed economies. It is impossible to argue that, for example, the diffusion of first-rate notebooks in Poland has harmed the Poles' economic prospects. On the contrary: it helps them to catch up.

Mr. Reed is right to worry that technological innovations could hurt national welfare. But the West will not solve its unemployment

problem by persuading aspiring newcomers to the global marketplace to use out-of-date computers or rotary telephones,
JOCHEN LORENTZEN.

### The Unabomber

Regarding "Unabomber and Vic-tim: Two Looks at Technology," Opinion, Sept. 26:

Both the Unabomber, basically a Luddite, and his victim, an unashamed apologist for technology, fall into the classic traps when

scussing their vexing subject. If we are ever going to come to grips with not only technology but modern progress in general, we must grasp two grim facts: The good and the bad effects of any invention are inextricably linked, and the bad effects almost always out-

weigh the good.
You can try to avoid the worst aspects of the technological revolution, but society as a whole is stuck with technology and all its side effects — at least until such time as an unforeseen disaster may bring it to its collective senses.

WOLFGANG ZUCKERMAN. Avignon, France.

Without modern technology, would the Unabomber's manifesto denouncing technology have reached the audience he seeks? No telephones, no electricity, no radio, no television — he wants to have his cake and eat it, too. I suggest he remove himself to a remote section of New Guinea, or the last remnants of the rain forest in Brazil.

E. CHAPMAN. Fontainebleau, France.

#### Signs of the Times

Anyone who has had to strain his eyes to make out a street sign at night. read a monument inscription or decipher a direction in capital letters from the far side of a Paris Métro station platform would tell the ty-pographer Adrian Frutiger ("Adrian Frutiger: Signs of the Times," Sept. 18) that the idea is not to "recognize

exters one by one" but words!"
A text should never be in capitals. As David Ogilvy wrote in "Ogilvy on Advertising," capital letters retard reading because "they have no ascenders or descenders to help you recognize words, and tend to be read letter by letter.

# For a Pregnant Teenager, A Nightmare Come True

By Ellen Goodman

B OSTON — I don't suppose very many people in Omaha, Nebraska, saw the play last fall. It was experimental theater, and a political drama at that. A show with a deliberately provocative plot that asked the question, "What if?"

What if a band of abortion opponents kidnapped a pregnant woman to prevent her from having the procedure? What if they went beyond harassing women at abortion

#### MEANWHILE

clinics and "rescued" a fetus by holding its vessel captive until she delivered? It was deliberately farfetched, a mind-teaser.

But what the audience and the actors didn't know was that a real-life version of this play was being per-

In the small town of Blair, Nebraska, a 15-year-old pregnant girl had become the object of a "res-cue." Only this wasn't the action of some fringe group: it was the col-laborative act of local officials.

The stunning plot was outlined in the lawsuit filed recently by the family of the pregnant girl. Her parents, Connie and Carl Scott, assumed that they and their daughter would deal with this crisis themselves. That, af-

ter all, is the law. No law gives a husband, let alone a 16-year-old boyfriend, the right either to forbid or to force an abortion. No legislation requires the consent of the boy's parents.

The girl, who had always had irregular periods, discovered that she was 23 weeks pregnant. Together with her parents, she made an appointment with a doctor who per-

formed abortions. Second-trimester abortions are the most controversial. We don't know what decision the teenager, her parents and the doctor would have made at that point if they'd kept the appointment.

But they never had that chance.
Knowing of the pregnancy, the
boy's mother and stepfather, Kathy
and John Tull, did what the Operation Rescue folks might call so benignly "an intervention." cording to the complaint, they barged into the Scotts' home.

When the Scotts called the police to protect them, an off-duty deputy came with anti-abortion literature while an on-duty officer asked the

girl if in fact she had an appointment to have an abortion.

Later, the Tulls produced a letter from a doctor who had never seen the girl saying that an abortion would be dangerous to her health — a recurrent claim that even C. Everett Koop, the anti-abortion former surgeon general, dismissed. Imag-ine the next scene: armed with that bogus piece of paper, the police sur-rounded the house where the family was staying. The officers took the terrified girl into custody and off to

the jailhouse for questioning. Hours later, they sent her to a foster home to protect her, the county attorney said, from her parents. Their criminal neglect? Helping her make an appointment for an abortion.

Forgive me if this drama becomes courtroom melodrama now. A second doctor determined that the teenager was 27 weeks pregnant and the family agreed it was too late to abort. Still the judge released the girl to her parents only on the condition that no abortion shall be performed on the subject's unborn child."

So, in an astonishing set of cir-cumstances, this family was stripped of the legal right to make this decision privately. The vigilantes of the town drove the girl out of school and her family out of town.

There are many reasons why the Scotts might have let this drama end there. Emotions still run dangerously high; on the day the suit was filed, the Scott family's old house in Blair was vandalized.

But Mr. and Mrs. Scott cannot forget that, in the words of Janet Gallagher of the American Civil Liberties Union, "their daughter was kidnapped from her family under the color of law, with the convivence of the lovel relies and augustics and august and nivance of the local police and au-thorities." The love for a granddaughter they are helping to rear doesn't mute that memory of injustice. Or the knowledge that it could happen to anyone, 15 or 35 years old, 23 weeks pregnant or 6.

This is not the first time that a boyfriend has tried to influence an about the design of the strict that the strict that a boyfriend has tried to influence an about the strict that the strict that

abortion decision. Nor is this the only small town where anti-abortion sentiment runs deep.

But in Blair, town authorities twisted the law to fit their own sentiments. And a drama about "what if' has now become a docudrama

The Boston Globe.

0.95

### **BOOKS**

#### FRIENDS IN HICH PLACES: The Rise and Fall of Clark Clifford

By Douglas Frantz and David McKean. 450 pages. \$24.95. Linde, Brown & Co. Reviewed by Nicholas Lemann

THIS is an unauthorized biography," Douglas Frantz and David McKean write in the acknowledgments to this book about Clark Clifford. "However, near the conclusion of our research, Mr. Clifford finally agreed to sit with us and answer any and all of the questions that we wished to put to him. In all, we had more than 50 hours of taped conversations with Mr.

Clifford. A virtue of "Friends in High Places is that it makes Clifford's unusual decision to spend so much time with investigative biographers, whose interest in him obviously stems from his was something he stumbled inhumiliation in the scandal involving the Bank of Credit & 30s, thanks to the unexpected Commerce International, com-

pletely understandable. Clifford's greatest fear is the presidency. fear of becoming unimportant:

oneself is by definition time spent as a big shot.

Frantz, a reporter for The New York Times, and McKean, a lawyer who was among the chief investigators in the Senate inquiry into the affair, consistently treat Clifford with kindness and decency.

They are first-rate reporters, though, and the details of the life story they have painstakingly accumulated outweigh whatever winning over of them Clifford may have done.

Clifford's wonderfully burnished 1991 autobiography, "Counsel to the President." sought from its title onward to portray him as having spent his life essentially as a statesman. But there was about a 10-1 ratio between the time he put into his primary career as a successful business lawyer and the time he devoted to government service.

Prosperity and prominence were his initial goals; politics to almost by accident in his late ascension of a fellow Missourian, Harry S. Truman, to the

The only son of a devoted but This is a man who used to be unexceptional father and an teased about wanting his face ambitious, theatrical mother, carved on Mount Rushmore. Clifford was an alpha male

# • President Robert Mugabe of Zimbabwe is reading "Struggle of Zimbabwe" by Ngwabi Bhebhe.

'It is an insight by an outsider, as it were, not a participant in our struggle."
(Mitchell Martin, IHT



from earliest adulthood; handsome, commanding, smart, driven. After law school he talked his way into an unpaid job at a leading St. Louis firm, and worked so hard and well that he became its youngest partner. In 1944, he joined the Navy, and in 1945 he got a temporary job as an assistant naval aide in the White House. Soon he was the star of Pres-

ident Truman's staff. Truman's side for as long as he First American Bankshares? could be of help, Clifford left and started his law firm while further than saying that

of law practice, and more than would have involved wearing that every subsequent year for an enormous set of blinders.

all that money is slightly mys-terious, which may have been tainly Clifford's view, and it is in terious, which may have been the way he liked it.

press, as well as clients, ac- subject be of truly grand procepted Clifford's idea of him-portions. self and began doing things be-cause Clark Clifford said to do inter alia the best argument them, the perception of his against the idea: It can't be a power turned into a reality. The intangible nature of the

Clifford product, made him highly susceptible to a fade. It began during the administra- tional correspondent for The tion of "Jimmy Carter, as he is Atlantic Monthly. He wrote this called" (that's Clifford speak- for The New York Times.

ing) and, Frantz and McKean argue convincingly, was the backdrop to his becoming mixed up with the Bank of Credit & Commerce International, the corrupt institution that caused his downfall.

Clifford couldn't stand the idea of becoming peripheral, and saw a new career in banking as a way to remain a big shot. Did Clifford know that the bank was secretly and illegally Rather than remaining at the owner of the bank he ran, Frantz and McKean go no he still had a couple of years of saw only what he wanted to presidential access remaining. see" about the connection be-Clifford made more than half tween the two institutions. a million dollars in his first year while making it clear that this

cades. Several times, Frantz and What he actually did to earn McKean refer to Clifford's story the interest of Frantz and McK-As government and the ean as biographers that their

> Their fascinating book raises tragedy if the main character was never really a hero.

Nicholas Lemann is a na-

# What I really like is its coverage

Reviews of the French press regularly quote Le Nouveau Quotidien. It's good for our ego. But our real mission lies elsewhere. It's to keep our eyes open to what's happening in all of Switzerland. This way we build wider bridges between the people of the French-speaking we're succeeding.

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### BRIDGE

By Alan Truscott

OUTH reached three no-Irump after West had opened one diamond. A diamond was led and won with dummy's ten. South wanted to develop an extra heart trick ten on the next trick. West had without losing the lead to East, to lead a diamond, giving South and saw that this could be done if West held Q-x-x of hearts and queen. He led to the club ace and played a heart, winning with the king when West played low.

The king and queen of clubs were cashed, reaching this po-

	NORTH  ◆ J 5 4  ♥ A 9 5  ◆ J 8  ◆ —
wret	EAST
WEST	<b>4 Q 9 6</b> 3
♠ K 10 8	♥ 374
♥ Q ◇ A Q 6 4	<b>0</b> 9
A A Q B 4	<b>4</b> —
<b>—</b>	SOUTH
	♠ A 7 2
	♥ 10 8

When the club jack was led, West made a fatal error by throwing the spade eight. He was then permitted to win a trick with the heart queen, and tried to escape by leading the spade king. This was also allowed to win, as was the spade hin ninth trick. West could have escaped by

could be forced to win the throwing a small diamond, or the heart queen, or a spade honor.

N	(95 )8
WEST (D)	EAST
▲ K 10 8	<b>♦ Q963</b> ♥ J743
♥ Q 2 ♦ A Q 6 5 4	093
4964	4 10 5 3
	UTH
<b>◆</b> A 7	-
C 10 8	_
→ K.7	-
# A Q	) J 2
North and South The bidding:	male Anjuats

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# HEALTH/SCIENCE

# Salt: Another Black Mark

By Harold M. Schmeck Jr.

EW YORK - Vital taste, common salt western University Medical has played a large role in his-School, who are husband and tory because of its scarcity in many times and places.

an onerous tax in prerevolutionary France. But today salt is National Heart, Lung and cheap and plentiful. Many ex- Blood Institute in Bethesda, perts say, in fact, that its wide Maryland, said the study was use is largely responsible for an epidemic of high blood pressure and many resulting deaths cate in humans. from heart disease in the United

States and other countries. A vast amount of data sup-ports this view. But blaming salt for high blood pressure, or hypertension, in the general pop- as human ancestors evolved in ularion has been controversial.

The evidence has many ambiguities. Some studies have shown little connection between salt consumption and blood pressure. In populations where salt is copious in the diet, high blood pressure is often common. but not everyone who wields the salt shaker with a heavy hand develops the condition.

Furthermore, in those who do, other factors usually cloud the primitive society where natural Furthermore, in those who do, issue: the stresses of modern life, diet has very little salt and by a host of other foods taken in too offering some of its members large or too small amounts, lack an extra salt ration over a long of exercise, and too much alcohol and cigarette smoking. How can the role of salt alone be teased out of the complexities of human diet and behavior?

Research that may go far toward doing just that has been completed by an international team. Working with chimpanzees in Africa, the scientists found that adding salt to the animals' diet sent their blood pressure up significantly. When have little or no high blood salt was removed, blood pressure came back down.

The study, led by Dr. Derek Denton of the Howard Florey Institute of Experimental Phys-

ture Medicine.

A commentary in the journal to life and sought including Dr. Jeremiah Stamler worldwide for its and Dr. Rose Stamler of Northwife, called the new data sem-

Salt has figured in wars, the North African slave trade and tor of the clinical applications and prevention program of the "very impressive" and would have been impossible to dupli-

Dr. Denton, an internationally known authority on the biological role of salt, believes the human hunger for salt arose early in hominid development salt-poor interior regions of even described by some as a Africa. Evolving where salt myth.

was scarce, humans developed a strong tendency to feast on it when opportunities arose. Today in some people, the feasting is continual, habitual and, many

experts say, dangerous. For years Dr. Denton has been concerned with efforts to clarify salt's role in human high blood pressure.

A definitive answer might be period of time. But that experiment would raise serious ethical questions since the people might be unable to give up dangerously excessive use.

Natural experiments in many parts of the world have already occurred as isolated jungle or amounts of salt to their daily farming communities have been introduced to civilization. little less than one-fifth of an Such people, living on a largely vegetarian diet with salt a rarity, pressure. They show no tendency to increased blood pressure with age as is common in industrialized countries.

October issue of the journal Na- often used to indict salt, it is also easy to dispute. The migrants from low-salt conditions by specialists on hypertension, are also moving to radically new environments, exposing themselves to novel stresses and many dietary changes in addition to extra salt. Which factors are the guilty ones?

Dr. Denton's problem was to find a situation in which nothing at all but long-term salt consumption was changed. He and his colleagues turned to Africa and chimpanzees, the animal species that is by far the closest biologically to humans.

At the International Center for Medical Research in Franceville, Gabon, the scientists chose 26 adult chimpanzees who were living comfortably on a diet of mostly fruits and vegetables in longestablished groups. The animals had already learned to cope with the stresses of their lives. Adding salt to their diet would involve no other change.

The normal diet for chimnzees at the research center included very little salt, but large amounts of potassium, protein, vitamins and calcium. Some opponents of the salt hypothesis have argued that dietary shortage of potassium or calcium is the culprit in high blood pressure.

None of the chimpanzees chosen for the experiment had high blood pressure and there was no evidence that their blood pressure was increasing with age as it does in many human populations.

After studying the animals for a year in their natural state, the scientists chose half of them and added progressively larger diets — first about 5 grams, a ounce, then 10 grams and finally as much as 15 grams. Translated to human terms, the diets with 5 grams of added salt equaled a modest level of salt use in countries such as the United States and most of Eu-But these people often de- rope. In the 15-gram stage the



Dr. Derek Denton taking a chimpanzee's blood pressure.

Most of the animals given extra salt in their diet during a period of 20 months experienced what the authors called 'highly significant' rises in

blood pressure. Among 7 of the 10 chimerage rise by the end of the long and sometimes much higher.

normal in some human pop- ters diastolic. That put them solidly in the realm that would be defined as hypertension in

Normal adult human blood pressure is about 120/80, and normal blood pressure in a chimpanzee is 110/70 to 120/ 80. In the salt experiments, the panzees who are all the extra animals' blood pressure comsalt they were offered, the av-monly rose as high as 150/90 iology and Medicine at the Univelop hypertension when they animals were exposed to salt at trial period was 33 millimeters. Among animals in the control versity of Melbourne in Ausmove to cities and adopt high-a high level for human diet, but of mercury in their systolic group, blood pressure did not tralia, was reported in the salt diets. While this evidence is well within the rough limits of blood pressure and 10 millime-rise.

# Clue to Gulf War 'Disease'

By David Brown Washington Post Service

ASHINGTON — In science, sometimes making a discovery is the easy part. Making sense of the discovery is what's tricky.

Major Alan J. Magill has learned this over the

last four years, as he and fellow researchers at the Walter Reed Army Institute of Research have studied the cases of 12 men who during the Gulf War acquired a rare tropical disease called viscerotropic leishmaniasis.

Some of the dozen soldiers were acutely ill, with high fevers and severe stomach pain, when physicians examined samples of their tissue. And when the microscopic Leishmania parasite was found in the samples, it was not entirely unexpected. Military doctors expected to see some cases of tropical disease among them.

A few of the soldiers, however, had unremarkable symptoms - headache, farigue, total body discomfort, occasional diarrhea. They were the big surprise since they also had Leishmania parasites in their bones.

Today, more than 30,000 men and women say they have chronic illnesses they believe stem from service in the Gulf. "Gulf War syndrome" is a major mystery. It has been studied by three panels of scientists, and a presidential com-mission just began the task anew. None has found a single or dominant explanation for the complaints. In many quarters, the very existence of a syndrome is questioned.

How many of these veterans have undiag-nosed leishmaniasis? "There is no way we can answer that \$64,000 question now," Major Magill said recently. "I think intuitively it's reasonable to think there are some. But I think this is at best an explanation of a small subset."

The first case of Gulf War leishmaniasis was diagnosed in late 1990, before fighting began, in a man who had been in Saudi Arabia for two months. Most of the patients had mild abnormalities, such as swollen lymph nodes and enlargement of the spleen and liver.

This differs from Gulf War syndrome, whose sufferers almost always have normal exams. In addition to the dozen certain cases, there are another dozen probable ones, in which physicians can detect Leishmania genes in patients' blood but

can't grow the bug in the laboratory. Diagnosing viscerotropic leishmaniasis has been hard and, in some ways, a matter of luck. "Chance would explain why we saw many of these patients," Major Magill said. "The biggest discriminating factor is who lives within driving distance of Walter Reed."

It's impractical, however, to check thousands of Gulf War veterans for this infection. The only test with a good chance of finding it requires the removal of cells from the bone marrow, a painful

and moderately expensive procedure. The search for a safe, accurate and painless

test is now under way at Walter Reed and at the Infectious Disease Research Institute, a laboratory affiliated with Corixa Corp., a biotechnology company in Seattle. Such a test should make it possible to determine how common viscerotropic leishmaniasis is among the vet-erans, as well as among other populations.

Tropical disease specialists are familiar with three forms of leishmaniasis. The most severe is called kala-azar. It causes fever, weight loss and immune system suppression. Mortality is high, but can be cut to less than 5 percent with good care and a 30-day course of treatment with an intravenous drug. The most common form of leish-maniasis produces long-lasting skin ulcers but is not fatal. A third and relatively rare form causes chronic, disfiguring infections of the nose and mouth. About a dozen species of Leishmania parasite cause one or more forms of the disease.

Viscerotropic leishmaniasis affects internal organs, but is far less damaging than kala-azar. Unexpectedly, it is caused by a species, Leishmania tropica, previously seen only in skin infections. This combination of organ infection, total body symptoms and L. tropica is what is unique in the Gulf War cases.

The surest way of diagnosing any infection is to find the offending organism in the blood or elsewhere in the body of the sick person. An alternative method is to detect antibodies that the person's immune system has made against the invading bug. An organism's presence is more definitive than an antibody's. However, antibody tests are preferred when testing large populations, for they only require a blood sample.

The parasites that cause leishmaniasis undergo profound changes during the course of infection. A sand-fly bite transmits the bug in a slender, swimming form called a "promastigote." Symptoms occur only after the organism invades cells and transforms into an oval amastigote" stage.

As the organism changes form, different genes are turned on and off, leading to production of different proteins for each stage. In response, the human host makes one set of antibodies against the promastigote and another set against the

The antibody test currently in use looks for a reaction between a person's blood and an extract of promastigotes. In people with kala-azar, the body is teeming with Leishmania organisms and the test almost always is positive.

In the Gulf War cases, however, there appear to be few organisms in the tissues of the ill. Therefore, the antibody test gives borderline or negative results.

Major Magill and his colleagues are trying to get around this problem by finding the exact L. tropica proteins that people with viscerotropic eishmaniasis make antibodies against.

The research team published results of their experiments this summer in the Proceedings of the National Academy of Sciences.

# Dieting Tied to Growth of Eating Disorders

By Daniel Goleman

EW YORK - New studies suggest that skeletally thin. oth anorexia and experts say, is the spread of Program at Tufts University

At the same time, major progress is being made in the treatment of the more frequent of the China, dieting is becoming a disorders, bulimia, with new therapy regimes producing little known, are now becoming high rates of improvement.

People with bulimia go on eating binges, followed by a times as common in women as purge - for example, forcing in men, reflecting the greater

There is a clo School of Medicine. "For exlike Taiwan, Singapore and fad, and eating disorders, once

Eating disorders are about 10 anorexia and 11.5 for bulimia.

anorexia, on the other hand, have such a strong fear of gainideal of thinness drives many towns and 37.9 in cities.

"The desire to fit the cultural en, climbing to 19.9 in small commonly it is a young woman towns and 37.9 in cities. ing weight that they starve women to diet severely," said themselves despite becoming Dr. Terence Wilson, a psychol- Scotland found that from 1965 ing; the death rate among wom-

year per 100,000 women up to ample, in developing countries 24. But a new, more careful epidemiological study in the Netherlands, published in the September issue of the American Journal of Psychiatry, found higher rares: 8.1 for

directly with urbanization in the themselves to vomit—to keep prevalence of dieting among Dutch study. In rural areas, it tial differences, their weight down. Those with women, Dr. Hsu said.

Dutch study. In rural areas, it tial differences, was just 6.6 per 100,000 wom-Anorexia, in

**CONFERENCES & EXHIBITIONS** 

At the same time, a study in

ogist at Rutgers University. "In to 1991, the number of patients en in whom the disorder is ditreated for anorexia in- agnovuinerable voung wombullimia are twice as tween the rates of eating disfrequent as shown in earlier studies and that the incidence is increasing steadily. The single tween the rates of eating disorders and dieting. "The inpurging, or to self-starvation."

Previous estimates had put in the September issue of the unimbers of people going to the numbers of people going the rate of anorexia at one to most likely culprit for the rising on diets," said Dr. George Hsu, five cases each year per 100,000 try, notes that it is not clear how rates of these eating disorders, director of the Eating Disorders people; for bulimia, the rate had much of the increase is due to an people; for bulimia, the rate had much of the increase is due to an been pegged at 5.5 cases each actual jump in the number of cases and how much is due to better diagnosis or increased public awareness.

> comparable to those in the U.S.," said Dr. Darryl Regier, director of clinical research at The rate of bulimia increased the National Institute of Mental Health. "There are no substan-

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**WASHINGTON D.C., USA** 

Anorexia, in which most

"The rates in these European countries should be roughly

> cent get much better." Several controlled studies

> > Treatment for eating disortidepressants because depres-

who starves herself to keep her weight down, is life-threaten-

limia than for anorexia, particularly with newer treatments. "There's lots of relapse with anorexia," said Dr. James Mitchell, a specialist in eating disorders at the University of Minnesota medical school. "But with bulimia, there's a better picture: when patients get good treatment, 60 to 70 per-

have found that cognitive-behavioral therapy is the most effective treatment for bulimia, compared with other kinds of psychotherapy or drugs.

ders increasingly includes ansion commonly accompanies the problems. "There have been several studies using antidepressants to treat bulimia, most using tricyclic medica-tions," said Dr. Stewart Agras, director of the Eating Disorders Program at Stanford University Medical School. "They've found that it helps between 25 and 40 percent of patients stop bingeing and purging.1



# A Riddle of Tectonic Drift

By Malcolm W. Browne

New York Times Service liding and

sometimes splitting asunder and scattering, the earth's continents are constantly moving.

A rapidly growing body of A rap

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tinental gyrations, but a sum- Gondwanaland remaining to be EW YORK — Like mary of conflicting theories answered hinge on whether the drops of water skatpublished last week in the jourmovement of tectonic plates ing across a hot skilnal Nature makes clear that alone could cause the breakup
let, sometimes colmany tantalizing mysteries reof a supercontinent, or whether coalescing, main to be solved.

up of new oceans, the collision of continents and other major shifts — are traceable to the relentless movement of tectonic

Tectonic plates are gigantic slabs forming the rocky hide of the earth's lithosphere. No scientist doubts the overwhelming importance of the movements of these vast slabs as they float over the planet's mantle.

But despite growing under-standing of the earth's six major tectonic plates and a host of smaller plates, scientists still must wrestle with many intractable questions about the driving forces that constantly reshape the planet's surface.

EBATES have proliferated along with a rock, many geologists believe. flood of data in recent years, and in the journal Nature last week, Dr. tion is widely accepted, there Bryan C. Storey, a geologist at the British Antarctic Survey in Cambridge, England, presented ing a summary of the many divergent views concerning the role of "mantle plumes" in breaking up an ancient engagement. There is strong indirect evidence, he said, but they are expenses. ing up an ancient superconti-nent called Gondwanaland. tremely difficult to detect and not all scientists believe they

The broad question is whether mantle plumes played

observations has shed light on many details of the earth's conquestions about the demise of mantie plumes were needed.

> EOLOGISTS presume plate tectonics are ultimately driven by heat generated deep within the earth from the decay of radioactive elements. But it is the visualization of a mechanism by which this heat is transformed into dynamic geological processes that sparks disagreement.

Mantle plumes are thought to originate deep beneath the surface, where the liquid-metal core meets the mantle.

It may be that core irreg-ularities produce plumes of molten rock able to penetrate the mantle, occasionally reaching the surface.

Once in a while a monster plume may break through the surface and spout an immense flood of molten basalt or other

But although the mantle plume theory of heat convecis no direct evidence for the existence of plumes," according to Dr. Michael Wysession Washington University. not all scientists believe they play role a role. Dr. Donald Anderson of the California In-

a vital, moderate or negligible role in the disruption of Gondample, theorizes that hot spots wanaland, an event 180 million may form at relatively shallow years ago that led to the creation depths when a mass of insuof today's continents. A major lating rock like Gondwanaland problem is the fact that mantle blocks the normal flow of heat plumes themselves remain to the surface.

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# TRACKINGTELECOM

# CUTTING THE CORD: THE WIRELESS FUTURE

From cellular telephones to multimedia systems to mobile offices.

he last 10 years have seen an explosion in demand for mobile communications services - and the speed of growth is accelerating. The global cellular subscriber base took 15 years to reach its present level of 50 million, but this could double or even triple in the next five years.

The success of mobile communications is beginning to have an impact on the fixed telecommunications market. In countries such as Hong Kong. Denmark and Sweden, few if any new fixed telephone lines are heing installed; the overwhelming majority of new telephone numbers issued are for cellular or cordless subscribers. This trend is likely to continue. The mobile market has already reached 10 percent penetration of the global wireline network and could achieve 50 percent by the year 2005. The flexibility of anytime, anywhere communications is also having a marked effect on people's work and leisure activities, cutting the umbilical cord of the fixed telephone and offering greater free-dom to organize time in a more efficient and useful way.

#### A celiphone in every hand

Although every sector of the mobile communications market is experiencing significant growth, nowhere is this more dramatic than in cellular telephony. The introduction of competition and the breakthrough to the mass market have been the two major factors in stimulating this growth. Telecommunications liberalization has become the battle cry of govern-ments around the world, with some licensing two, three or more mobile operators to fight it out in the marketplace. The result of this frenetic competition has been to lower handset prices and tariffs, opening up the mass consumer market. Mobile phones are no longer the prerogative of bankers and whiz kids; they are everyday tools for everyone from mail deliverers to

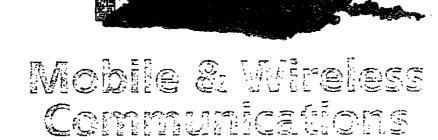
Mobile communications market forecasting is still a less than exact science, but there seems little doubt, based on today's growth figures, that the world cellular market will reach 200 million by early in the 21st century and could easily exceed 350 million by 2005. The mobile millennium will arrive sooner in some countries than in others. The Nordic countries are already experiencing 40 percent annual growth, and Seth Myrby of Sweden's Telia Mobil has predicted that 9 out of 10 Swedes will have a mobile phone by the end of the decade.

#### Standards, please

The development of common standards has also been a significant factor in stimulating cellular market growth. Incompatible analog networks inhibited international roaming and prevented suppliers from achieving economies of scule in terminal and infrastructure manufacture. The introduction of standards such as GSM (Global System for Mobile) has boosted the cellular market into a new phase of growth.

GSM is a remarkable success story. Designed to overcome the Tower of Babel that was the European cellular scene, GSM has become the de facto world standard for digital cellular. So quickly are new operators choosing

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With the cellular market predicted to double or even triple by 2000, mobile and wireless is one of telecommunications' most dynamic sectors. As wireless networks replace fixed-line systems and new technologies transmit mobile data, an untethered era in communications is at hand.

#### Inside

Paying taxis by card Satellites Page 12 Asia's cellphone hunger Eastern alternatives Page 14 Gulf demand Handset designs

Paging Competition between systems Edge in South America Speech digitalization

Closing the telecoms gap Lebanese reconstruction In Australia's outback Privatization in the U.S.

Mobile data South Africa's "phone shops" Japan bridges a gap Niche in Asia

# BEATING THEM, JOINING THEM: TELECOMS ALLIANCES

Service providers are snagging partners - to gang up on the competition.

With new subscribers signing up at the rate of 10,000 per day, GSM is well on the way to putting a portable phone in everyone's pocket. It can be hard to separate the hope from the hype when market researchers are confidently predicting that the wire-less networks' installed bases will double in Britain, triple in Germany and France and quadruple in Japan by the year 2000. The predictions are probably an understatement.

"If you look at the figures for wireless, you'll find that even the most grandiose-sounding figures have turned out to be an underestimate." says a Gartner Group analyst, Nigel Deighton.

At one stage, for example, European market projections were based on Scandinavian data that presupposed a market penetration of 10 percent to 20 percent. The current figure for Sweden is now above 20 percent and, in parts of Finland, as high as 50 percent. According to MarketLine international research, wireless networks will have 110 million subscribers in the industri-alized G-7 nations by 2000.

Sky's the limit Looking further ahead, the sky's the

limit for Jean-Philippe Haag, a strate-gic planner with Alcatel's Mobile

Continued on page 16

### **ENCOURAGING FUTURE** FOR MOBILE STANDARDS

As the mobile communications field diversifies, standards are converging.

Lt is likely that sometime between 2000 and 2005, the mobile connection rate will supersede that of fixed lines. This success will be underpinned by standards to ensure interoperability, low prices for handsets, an unprecedented range of services and features, and closer integration of fixed and mobile infrastructures.

The most successful mobile stan-dard to date is GSM (Global System for Mobile), which is now the responsibility of the European Telecommunications Standards Institute (ETSI). "It is the only fully specified, open and proven digital cellular system worldwide," says Philippe Dupuis of France Telecom and chairman of ETS1's Technical Committee Special Mobile Group (SMG). Operators and regulators in 77 countries have expressed a commitment to GSM.

Early phases
A version of the specifications supporting a subset of the planned services was set out in 1990 and known as Phase 1; Phase 2 was to be released a few years later as the complete and final version of the specifications. Phase 1 supports voice and data traffic, short messages and call forward-

Continued on page 12

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the mobile funds transfer

system installed in Sydney

taxis allows fares to be paid

with the simple presentation

of a credit card.

# TRACKING TELECOMS

# MOBILE & WIRELESS COMMUNICATIONS

## IN TAXIS, NO MORE FUMBLING FOR LOOSE CHANGE

Mobile data networks are now making it possible to pay taxi fares with credit cards, with other new applications not fur behind.

Less than 18 months ago, the world's first mobile installed in 230 Sydney taxis. The forecast is that by the end of 1995, it will be operating in at least 6,000 taxis in Australia.

"Australia's technology pickup is extremely rapid," says Charlie Zoi, Telstra's group managing director, corporate international and resources. "As fast as we roll out the technology, we see a very high level of accep-

tance. Launched 18 months ago. Telstra MobileData, which operates a specially designed and constructed wireless data-only network, now itself, will create markets."

has Australia's largest wire- says Telstra's MobileData tions for the technology. less data network in terms of funds transfer system was coast-to-coast geographic Paul Schofield. coverage.

The real significance of the arrival of EFTPOS (Electronic Funds Transfer at Point of Sale) terminals in Sydney taxis is that this result of Telstra's focus on the development of applications for new wireless technology can be applied in many other growth areas.

'Telstra's experience in pioneering the EFTPOS system with MasterCard demonstrates that applications, and not the technology

national product manager, Mobile data technology

allows subscribers who are roaming with a portable computer and a data modern to transmit and receive packets of data from a central or tions. remote source, Applications, apart from EFTPOS, include e-mail, on-line computer inquiries, dispatch information and vehicle tracing. Such services can be attractive to corporations that are manag-

Substantial revenue

The first two dedicated mobile data networks in Australia are BellSouth's Mobitex service and Telstra's MobileData. Growth in subscriber revenue is expected to be substantial, but, as Mr. Schofield says, it will largely depend on the development of applica-

An important part of the Telstra MobileData service, he says, is its adaptability to specific customer-developed applications such as e-mail. messaging, two-way paging and other EFTPOS applica-

One possibility is use in restaurants, where a waiter could present a customer with an EFTPOS terminal at the table to settle the bill. Similarly, couriers and home delivery services ing large sales or service could hand customers a wireless EFTPOS terminal

at their front door. Mr. Schofield says Telstra has been working on applications with several Australian partners, including Ingenico, Microsoft, Lotus and OzEmail, to develop applications for wireless data technology. Australia is already leading the world in providing wireless access to e-mail, he adds. Through lo-

cal Internet service provider OzEmail, Internet users will be able to roam the world and take their Internet account with them, using the world's first full Internet access service via a wireless data network.

Australia's position as a world leader in the adoption of wireless data technology influenced Motorola to hold the world launch of its Personal Messenger wireless modem card last November.

Getting the message The Personal Messenger en-

ables users to send and receive electronic mail and faxes, access applications and information services and query and update databases via wireless-enabled applications. The card operates on Motorola's DataTACTM network and has already been introduced in Singapore. Malaysia, Hong Kong, Thailand and Canada.

which mobile users commu-Jon Moss, general manager of Motorola Wireless Data Group in Australia,

Telstra's Mr. Schofield adds that the MobileData service operates on compatible frequencies with other and change the way in similar DataTAC networks

throughout the North America and the Asia-Pacific. This can open up opportunities for international roaming and and also create economies of scale.

Nigel Hopkins



ALTHOUGH STILL VERY MUCH IN THE REALM OF TOMOTOW'S TECHnologies, mobile satellite communications is exciting considerable interest and investment from manufacturers and operators around the world. The idea of using satellites to provide global communications through handheld phones. rather than the suitcase-sized terminals currently available, has been around for some years. A major step toward realizing this concept was taken in 1992, when the World Administrative Radio Conference allocated spectrum for LEO (Low Earth Orbit) satellite communications systems. Interest in mobile satellite communications has grown on the back of the spectacular success of terrestrial cellular networks.

There are many areas of the globe where the provision of cellular coverage cannot be justified because of the sparse population and immense distances involved, but such locations can easily be covered by a satellite system. Although the introduction of the first mobile satellite communications system is at least three years away, the competition is already warming up. There are at least seven declared entrants in the race, some of which intend to concentrate their efforts on North America alone and three - Globalstar. Inmarsat and Iridium - which are planning to provide global communications through handheld terminals.

### **ENCOURAGING FUTURE FOR MOBILE STANDARDS** Continued from page 11

ing and barring. Roaming between countries is possible wherever operators agree to support it, and security is better than that of any public fixed network.

Phase 2 is now complete. and handsets should be on the market at the beginning of next year. The most important new features include calling line identification, call hold/waiting, multiparty conference calls, closed user group and advice of charges.

#### Beyond GSM

In the meantime, the International Telecommunication Union (ITU) and ETSI have been working on specifica-

tions for the next generation of mobile services. The ITU's FPLMTS (Future Public Land Mobile Telephone Service) is to be a global standard for cellular, cordless, satellite and fixed applications, while UMTS (Universal Mobile Telephone Service) will be the compatible European version, using the experience of today's technology and exploiting all new develop-

Although both standards bodies acknowledge other technologies such as the American DAMPS (Digital Advanced Mobile Phone Service) and CDMA (Code Division Multiple Access), dard are little more than radio interface standards and lack the advanced, secure roaming of GSM or the modular architecture to add on more services. Hence the future of UMTS is inextrica-

bly bound up with that of

GSM already fulfills many of the criteria of FPLMTS/UMTS. and ETSI's Technical Committee SMG is charged with providing a smooth transition to these advanced personal communications services. The next stage is designated Phase 2+, and work on it is already under way. It will include services such as call completion on busy sig-

subscriber profile.

says the Personal Messenger

card will open up a new era

in wireless communications

SMG1 is also developing standards for network features such as optimal routing to minimize "tromboning" when roaming or call forwarding. Tromboning occurs when a call is routed in a long, expensive loop because the network does not know the actual whereabouts of the caller and

called party. A feature called CAMEL is also being developed that will allow subscribers to use their nonstandardized home services when roaming and is based on developing IN (Intelligent Network) techniques. The concurrent evothese and the Japanese stan- nal, a private numbering lution of GSM and IN stan-

plan, hot billing and multiple dards is vital if the functions are to be delivered.

GSM already has a specification for the use of SIM (Subscriber Identity Module) smart cards, which. once inserted into any GSM terminal, would allow users to access their normal services from wherever they are in the world and to be contacted there. It will be some years, however, before IN technology is in sufficiently widespread use for this feature to be fully ex-

Packetized data

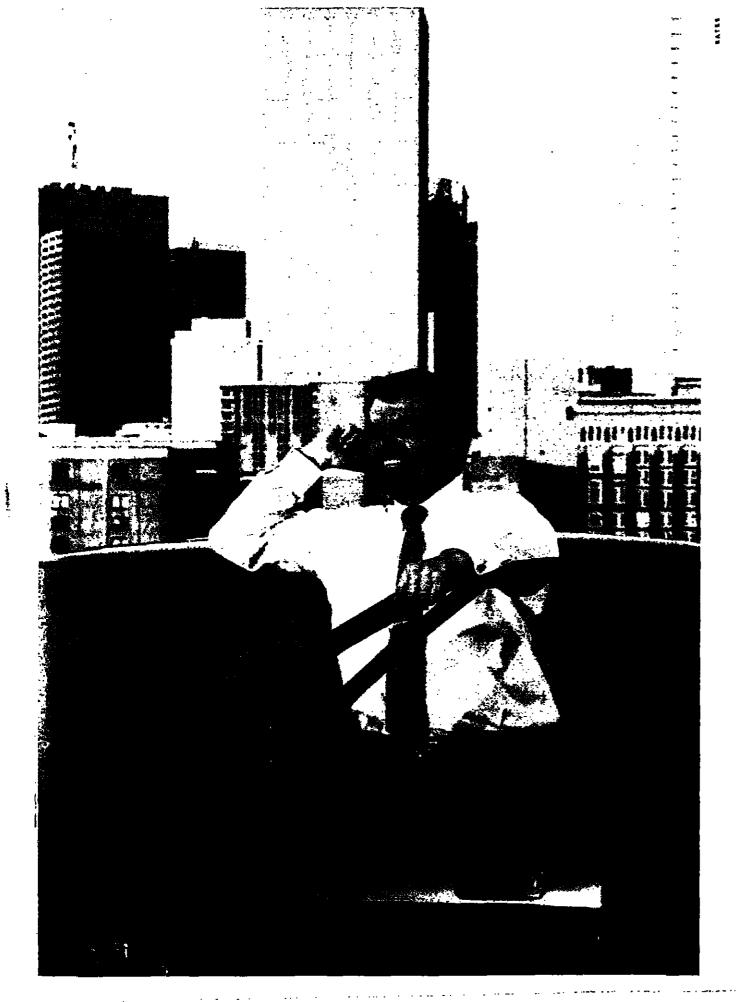
ploited.

GSM2+ includes GPRS (General Packet Radio Service) to support packetized data transmission on the radio channel. GPRS straddles radio technology and network infrastructure facilities to carry e-mail and other

data applications. There is great enthusiasm on both sides of the Atlantic for integrated voice and data communications infrastructure. and GPRS has the potential to fulfill that demand. Finally, ETSI's CTM

(Cordless Terminal Mobility) project is considering specifications for dual GSM/DECT (Digital European Cordless Telecommunications) handsets: DECT for use at home or in the office as a cordless extension. and GSM when outside or traveling.

Annie Turner



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# TRACKING TELECOMS

#### MOBILE & WIRELESS COMMUNICATIONS

# ASIA'S INSATIABLE CELLPHONE HUNGER

The Asia-Pacific market grew by 70 percent in 1994.

he number of cellular phone subscribers in Asia is predicted to rise from the current figure of around 10 million to 72 million by the year 2000. Fueling this boom are the region's dramatic economic growth, an abiding preoccupation with high technology and increased competition among cellular operators caused by market liberalization and the onset of new digital systems.

Another factor stoking the cellular revolution is Asia's insatiable appetite for status symbols. In many parts of the region, having a cellular phone by one's side is as crucial to overall image as being well-dressed.

Cellular phones have already become a pervasive part of modern culture in several Asian countries. Hong Kong yuppies crowd around a dinner table at a fashionable restaurant, in the midst of heated discussion - not with each other, but on their little black handsets. In Singapore and Malaysia, it is now standard procedure to ask patrons of the arts to switch off phones and pagers before a play or concert starts.

Annual growth in mobile phones continues in double-digit figures, despite the relatively high cost of handsets in many Asian markets. Telecommunications companies often cite differences in air-time charges, subsidies by network operators and network programming to explain discrepancies in hardware costs. But there is no doubt that deregulation and increased competition are finally bringing down costs in some key markets.

In Thailand, Singapore and Bangladesh, handsets now cost between \$1,000 and \$2,000. In Australia the going price is about half that amount. In Hong Kong, competition is forcing prices below the \$1000 barrier for the first time, with monthly fees expected to fall by 30 percent to 50 percent in the near future.

Japan currently accounts for 32 percent of the regional cel-Iular market, but China is expected to represent 30 percent of the overall customer base by the turn of the century, ousting Australia from second place.

Most of the "big boys" of the telecommunications world are jockeying for position in China, including BT, Deutsche Telekom, Cable & Wireless, AT&T, Singapore Telecom and Hong Kong Telecom. Cellular telephones are seen as a quick and easy way to accommodate some of the demand for fixed telephone lines in China. According to the Asia-Pacific Telecommunity Yearbook 1995, more than 1.63 million Chinese customers are currently waiting for phones.



The portable phone, as much as suits and ties, is a must-have in Hong Kong's business district.

Cellular operators have not been as lucky in every market, however. For instance, the Telecom Corp. New Zealand has found it necessary to introduce new low-cost cellular service aimed at non-business users in order to expand its cellular services into the mass consumer market.

Telecom NZ is also entering the Australian market through a subsidiary called Pacific Star Mobile. Having secured a contract to manage telecommunications for the Western Australian government, Pacific Star Mobile will become the first independent provider of services on the cellular network of Telecom Australia. Despite its relatively small population in comparison with most Asian countries, Australia still offers significant growth potential, with the cellular market growing by an estimated 6,000 new connections a month.

Asian branches of global electronics companies are also expanding their customer bases through innovation and better service. The Singapore subsidiary of Hewlett-Packard recently launched a new "hybrid" product, based on the latest GSM (Global System for Mobile) handphone technology, that combines handphone and personal organizer functions. Julia Clerk

"MOBILE AND WIRELESS"

was produced in its entirety by the Advertising Department of the International Herald Tribune.

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Munich, Annie Turner in Bruain, Steve Van Beek in Bangkok. Curt von Keyserlingk in Johannesburg und Steve Weinstein in New York.

PROGRAM DIRECTOR: Bill Mahder. TOMORROW'S SECTION: Entertainment.

**Alternatives From the East** 

MOST IMPROVEMENTS IN THE WORLD'S communication technologies have been motivated by the existing ones' shortcomings. This has been shown to be the case in Central and Eastern Europe, where a lack of reliable standard telephone connections has caused widespread use of alternative means of data and image transmission, including mobile communication systems, satellite-based networks, Internet and DAB (Digital Audio Broadcasting) data transmission.

Although the situation is improving, many local corporate and private customers throughout the region are still facing long waits for telephone and fax lines. Those who already have them must often contend with the busy signais, static and fade-outs still endemic to the regions' standard telephone systems.

As a result, interest in other methods of communication has been very strong. Estonian use of mobile telephones is on a level with that in Westem Europe. The number and sophistication of VSAT (Very Small Apenure

Terminal) and other satellite-based telephone services offered in Prague exceeds those in many West European cities.

The number of Central and East European residents using the internet - accessible in most of the region since early 1994 - has been growing at a rate of 3 percent to 4 percent per

From Russia with the latest

The most ingenious transmission method comes from the country with perhaps the longest way to go in improving telephone service in the region. Teiwus, a Moscow-based electronics institute, calls its method "radiotext." It is one of three major DAB data transmission projects now striving to establish themselves in Europe's markets.

All of these technologies employ the surplus carrying capacity created by the digitalizing of radio waves to simultaneously broadcast both standard programming and data. Now in operation in the greater Moscow re- 20.

gion, radiotext conveys news and travel information to its subscribers, who receive it via specially created pickups attached to their PCs or laptops. The information received can be printed or stored in the computer's memory.

Teiwus predicts a bright future for its service. As corporate executives point out, radio broadcast is an unbeatably cheap method of attaining blanket coverage - an important point in these developing markets. DAB transmissions can also pinpoint specified groups and areas.

Radio technical characteristics and regulations will be the focuses of two conferences in Europe this month. From Oct. 23 to Nov. 17, industry and government representatives from over 180 countries will gather in Geneva to participate in the World Radiocommunication Conference 1995. The Radiocommunication Sector of the International Telecommunication Union will hold a meeting of its Radiocommunication Assembly in Geneva Oct. 16-

# CUTTING THE CORD: THE WIRELESS FUTURE

Continued from page 11

the GSM route that the GSM memorandum of understanding, the global focus for GSM, has trouble currently 138 existing or putative GSM networks in 77 countries, and estimates of subscriber growth are constantly being revised

Cellnet's Mike Short, the current chairman of the memorandum, predicted 8 million GSM subscribers worldwide by the end of 1995. In just two months, this estimate had risen to 12 million, and Mr. Short admits that this figure could easily be exceeded. If GSMbased solutions are chosen by the majority of the new PCS (Personal Communications Services) operators in the United States, then rival technologies will not be able to mount a serious challenge

to the domination of GSM.

The cellular success story tends to overshadow developments in other mobile communications sectors, but here, too, new technological solutions and increased keeping track. There are awareness have triggered an

upsurge in demand. Voice telephony has been the major driver in mobile communications to date, but demand for data applications is likely to expand over the next five years. Technologies such as GSM are optimized for data transmission, and innovative solutions are being developed and offered to the business community. Fax, electronic mail, file transfer and database access are just a few of these applications, leading to the introduction

of complete mobile offices. In the longer term, users will be looking for wireless multimedia solutions that will combine voice and data with images and video. Reaching this goal will be communications system for

technically challenging and will require the development of new wideband air interfaces and user terminals able to support multimedia.

Unplugged

The area of cordless communications is also poised for rapid growth. Technologies such as DECT (Digital European Cordless Telecommunications) and the Japanese Personal Handy-phone System can be deployed in a variety of different applications. Cordless PBXs allow key staff to be constantly available to deal with customers and make decisions.

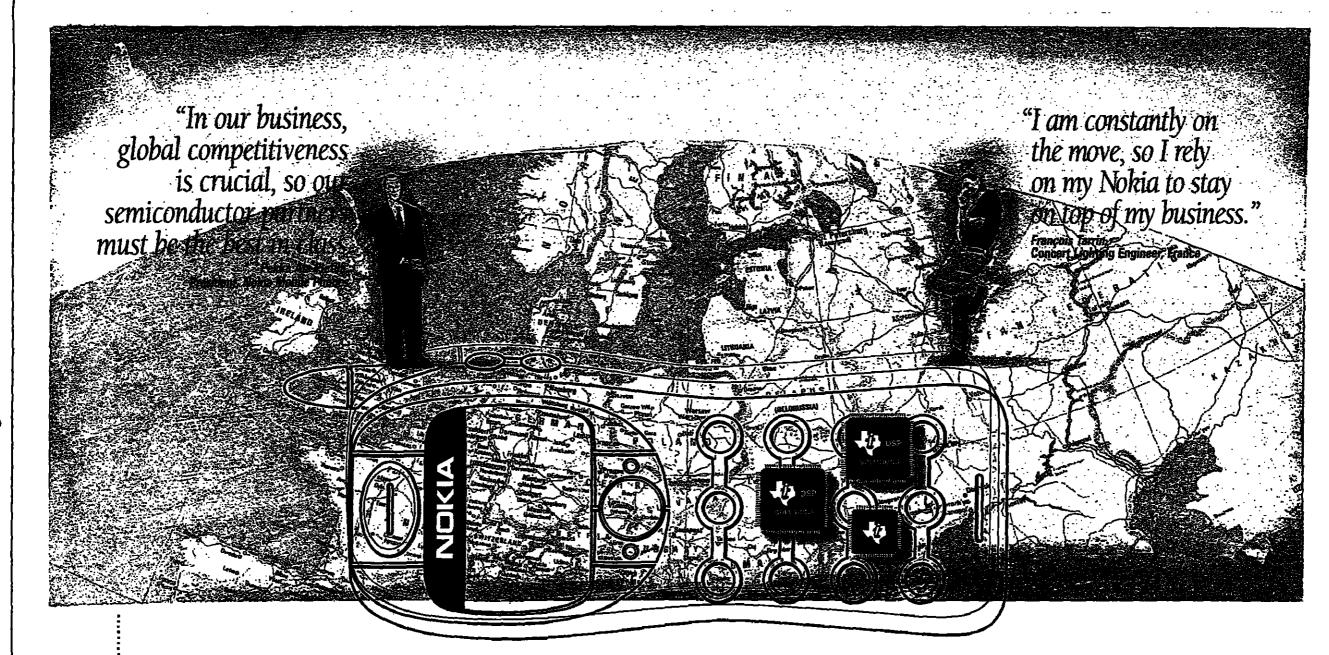
Domestic cordless telephones have proved enormously popular, and digital technology will offer improved speech quality and advanced features. Cordless communications can also be deployed to provide a low-cost two-way

dense urban environments. The use of wireless to replace copper cable in the local loop - the connection between the local exchange and the customers - is potentially the most exciting future area of growth.

The mobile communications story has barely begun. Over the next three years, mobile satellite communications systems will begin coming on-stream, offering the capability of seamless communications anywhere on Earth. Even technologies such as paging and private mobile radio, which have tended to be lost in the dazzle of cellular, will see substantial growth in focused market sectors. Engineers and scientists worldwide are already working on developing the next generation of mobile communications systems, pointing the way toward universal personal telecommunications.

Ian Channing

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# MOBILE NETWORKS FLOOD THE GULF

The Gulf states are working on a common roaming facility.

The demand for mobile them various ancillary serand fixed lines in the Gulf states of the Middle East has been far outstripping sup-ply, as billions of dollars worth of telecommunications contracts are awarded - \$4 billion for Saudi Arabia alone last year. With advances in technology widening the horizons of communications, the member states of the Gulf Cooperation Council (Bahrain, Kuwait, Oman, Qatar, the United Arab Emirates and Saudi Arabia) have agreed on a common international GSM (Global System for Mobile) standard.

In theory, this will even-tually lead to roaming facili-ty among these countries. The United Arab Emirates and Bahrain are likely to be the first two states to utilize the facility, but because of national preferences, it may be some time before mobile users in all countries can talk to each other.

Siemens and Motorola are already building three of the first networks in the GCC states: Kuwait (100,000 lines), the Emirates (160,000 lines) and Qatar (25,000 lines). Siemens is also reported to have installed a private mobile network of some 12,000 lines in Şaudi Arabia.

Pioneering
The first Gulf country to establish a GSM network was Qatar. Last year, Q-Tel, the country's telecommunications company, launched a 25,000-line network. Takeup of subscriptions has been slower than anticipated, partly due to costs and partly because of technical issues that are now being resolved. There are now more than 10,000 subscribers to GSM, and Q-Tel intends to offer

GSM system with an option to add another 20,000 lines. Bahrain Telecommunica-This is in addition to a contions Co. (Batelco) has always been at the forefront of telecommunications in the Gulf. Last year. Ericsson was awarded the major part of a \$16 million contract to set up a GSM and TACS (Total Access Communications Systems) system, which came on line in August. This involved building 32 GSM and 32 TACS base stations, providing a total capacity of 15,000 GSM and 20,000 TACS lines. Ali Sahwan, Batelco's corporate affairs manager, says that at

tract awarded to Ericsson to upgrade an existing 50,000line TACS network to 66,000 lines. More than half of the available GSM lines have been taken up, and the figure is expected to reach 30,000 before the end of this year. Saudi Arabia, which is by

far the largest of the Gulf states in terms of population (more than 12 million) and area (2.3 million square kilometers), is the plum for GSM equipment suppliers

to provide a 30.000-line have been flooding in ever since subscriptions were opened at the beginning of the year. More than 120,000 applications with deposits of \$2.667 each have been received. Middle East Mobile magazine reported recently that the Saudi PTT said that if more than 300,000 applications were received, capacity would be extended to 500,000 subscribers and could be raised to 700,000. AT&T has been negotiating an additional \$800 million contract to provide another 300,000 lines. It is hoped that the first phase of the GSM system will be launched by the end of this

> Since 1985, the Sultanate of Oman (population 2 million) has had a mobile automatic telephone system (PMATS) with 5,000 subscribers. This is to be augmented by a full-fledged GSM system, which the General Telecommunications Organization (GTO) hopes will overcome some of the shortcomings of PMATS in the second-largest GCC state. The GTO is currently evaluating contracts for the system, which is expected to have 5.000 subscribers during the first year and more than 30,000 after five years. The lowest bidder to date is Sweden's Ericsson, at \$22 million.

At present, options are and services. AT&T won open in the Emirates, where it appears there might be three separate cellular networks. The PTT Etisilat awarded AT&T and Motorola/Siemens two contracts for 30,000 lines in 1992. So many applications are being received that a third network is thought to be under consideration by the PTT.

Michael Frenchman



To enable Bahraini to speak to Bahraini, no matter where they are, a large number of base stations have been set up to communicate

#### 200,000 GSM lines in coop-Kuwait was able to start plans for a clean-sheet GSM

struction of its telecommunications network during the Gulf War five years ago, system. Last year, Motorola won a \$32 million contract

present there are 2,750 GSM

and 19,000 TACS sub-

After the nearly total de-

Clean slate in Kuwait

the massive \$4 billion Telephone Expansion Project-6 (known as TEP-6), one of the largest in the world, of which the installation of a GSM system is a significant part. Under the original con-tract, AT&T is providing eration with the local group, A.S.Bugshan & Brothers. Applications for lines

# WHAT YOUR HANDSET SAYS ABOUT YOU

Mobile handsets are no longer just convenient - they are also becoming designer objects.

sign's many paces for years, from Mickey Mouse kitsch to Giorgio Armani elegance. Until recently, mobile phones have been more resistant to fashion trends, partly because they were originally pitched to the conservative corporate customer. That attitude is changing as the market for mobile phones enlarges and the reasons for buying one change ac-

cordingly. According to Margaret Rice-Jones, European products marketing director for Motorola's cellular subscriber di-vision. "We find that security or safety of the spouse is one reason to buy a mobile phone these days. It becomes a dual purpose purchase, both for business and personal reasons.' In some European markets, she

notes, the purchasers are split 50-50 between men and women. That's where brighter colors come in - they are seen as an extension of one's personality.

Color me busy In response to these changes in the marketplace, this year Motorola launched its Flare line of mobile phones in five models and 11 colors. The colors were selected after extensive consumer research - with

some surprising results. Ms. Rice-Jones reports that black showed up as the most popular color in testing (preferred by both sexes), followed at some distance by gray, blue and green. Women also liked white and dark blue. but men didn't. Yellow did not rank high in research, yet it has sold quite well. She attributes this to the sometimes marked variance between what people say in surveys and what they actually do in the store.

Color psychologist Dr. David Cowell, retained by Motorola to help the company develop the Flare line, explains: "Color selection reveals intimate details about the personality of the person. Red shows an aggressive, wild streak. while yellow tells us a person is quirky, fun to be with and not too serious."

Color is only one dimension of mobile phone design, albeit an important one. Ms. Rice-Jones declines to say how well its colored models are selling, or which colors are selling best, citing it as proprietary information. Other important considerations are size, weight and ease of use. Per Bengtsson, a spokesman for Ericsson, a world leader in the mobile telephone market, points out that today's handheld cellular phones are one-quarter the size, less than one-quarter the weight and can be used four times as long before recharging as the first models his company introduced in

Nokia phones from Finland are characterized by purity of style and practicality of use, including a large, easy-to-read display screen, a logical keypad layout for one-handed use, and a menu system designed to be user-friendly for simplified access to all functions and information. Hitachi's ultralightweight handheld cellular phone has multiple memory

Malcolm Ross, a senior specialist for the consulting firm of Arthur D. Little in Germany, divides the mobile phone market between baby boomers, who are more interested in ease of use and reliability, and post-boomers, who are look-

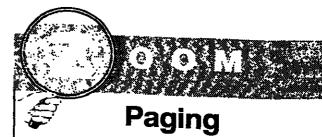
onventional fixed telephones have been put through de-gn's many paces for years, from Mickey Mouse kitsch to men want robust "droppable" devices, while women want lightweight, stylish and even "wearable" ones.

Men tend to carry their mobile phones in suit or shirt pockets, while women usually keep them in purses or briefcases. This difference is often what dictates a preference some women have for "flip" models, which are seen as better protected. Ms. Rice-Jones says, "We don't test our phones in handbags with cosmetics, but we do subject them to rough handling in our Accelerated Life Testing laboratory." Years of usage are simulated with a barrage of extreme temperature changes, shock, humidity, rain, dust

Mobile phone designers have also taken a lesson from the pocket calculator market. These devices got smaller and smaller until the consumer rebelled and stopped buying them. "If the keys are too small, people will wind up hitting the wrong key by accident," explains Ms. Rice-

> National differences also play a role in customizing mobile telephones. The Flare line gives the user the option of personalizing the phone's ringer - with British, German and French ringer tones avail-

Mr. Ross concludes: "The competitive battle [for a mass market in mobile phones] should be fought at the level of what value customers perceive rather than the platform technology." If that means yellow telephones and German ringers, manufacturers are happy to oblige.

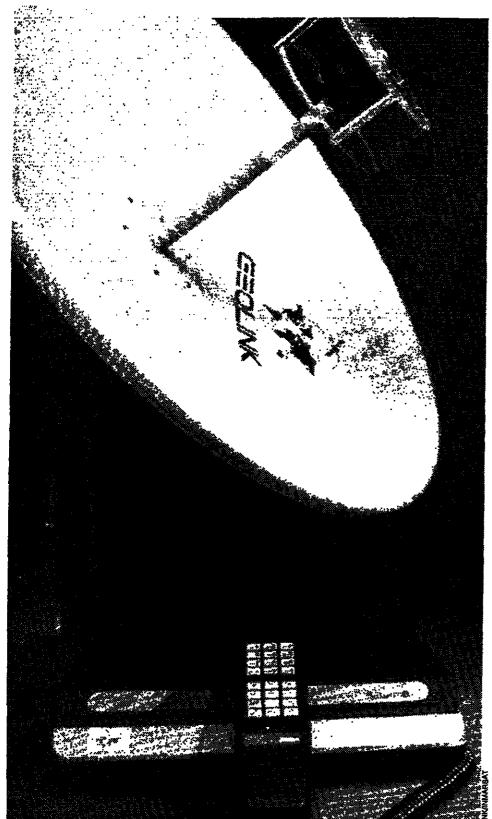


WIDE AREA PAGING is the simplest and longest established mobile communications technology, with a global paging subscriber base of 44 million. The operation of a wide area paging system is extremely simple. Users subscribe to a paging service and are issued with a lightweight, pocketable radio receiver. Contact with the subscriber can be through a human bureau service, through a PC or by using a touch-tone telephone. The messages are sent through national radio networks operating in the VHF/UHF bands. Despite its simplicity and effectiveness as a one-way messaging service, the paging market has not shown the explosive growth of other mobile technologies such as cellular. This is changing, with new services such as Calling Party Pays stimulating growth, and by 1999 there may be over 120 million paging subscribers worldwide. New technologies such as ERMES (European Radio Messaging Service) are being introduced, which will allow paging subscribers to move around the world and still be able to receive their messages.

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From handset to dish to satellite to the world - the competitive factor is the cost.

# SATELLITE SYSTEMS GEAR UP FOR WORLDWIDE COMPETITION

A constellation of consortia is vying for world domination in satellite services.

his new generation of handset \$2,000 for dual- clude Qualcomm, Airtouch, (MSS) providers promises handsets the size of a cellular phone as well as telephony and other services such as fax and data transmission from anywhere in the world at any time. According to the International Telecommunication Union, worldwide telephony penetration is about 11 percent and cellular I percent, so MSS has an enormous potential market.

This new generation of operators is able to provide smaller subscriber equipment by using satellites that orbit closer to the earth, hence requiring less power. Odyssey and Inmarsat-P are to use Mid Earth Orbit Systems (MEOS), which orbit at between 5,000 and 15,000 kilometers (3,100 and 9,300 miles) above the earth.

The players Odyssey is owned by Tele-globe and TRW, and its intended markets are fixed wire telephony and the extension of existing cellular systems. It will use a network of 12 satellites; commercial service is scheduled for 1999.

The system will cost \$2.5 billion, and its handsets should cost 20 percent more than a standard cellular phone. Service will cost less than \$1 per minute.

Inmarsat-P is owned by 38 of Inmarsat's signatories and their subsidiaries. It plans to offer mobile voice, data and fax using 10 satellites (plus two spare ones). Commercial services will start in 2000. The system will cost \$2.6 billion and the

mobile satellite service mode voice, which means it can be used as an ordinary cellular phone or for satellite communications. Service will cost \$1 to \$2 per

> The systems Big LEOS, or Low Earth Orbit Systems, operate even closer to the earth, at 500 to

1,000 kilometers, and have attracted the most interest, being a new technology. Iridium, the best-known, is a consortium initiated by Motorola. Its partners include

The new satellites

orbit close to the

earth and require

less power

Sprint, Korean Mobile Telecom and an impressive list of telecommunications operators and industrial companies from all over the world. Total capital now committed to the project amounts to \$1.6 billion, half the cost of launching the 66 satellites. Commercial operation is due in 1998, offering service at \$3 per minute. Dual-mode handsets will cost \$3,000.

Globalstar's investors in-

Alcatel and Vodafone, and they plan to offer mobile data and voice services for 65 cents a minute, using 48 satellites. The cost of the LEO system will be \$1.5 billion, and the handset will cost about \$1,000.

Teledesic's founders are Bill Gates of Microsoft and Craig McCaw, who set up McCaw Cellular in the United States. They intend to offer high-speed data and video to developing countries through a network of 840 LEO satellites, built and launched at a cost of \$9 billion. Service will be available in 2000. Subscriber units will cost \$1,000 for 64kbit/s service and \$6,000 to \$8,000 for 2Mbit/s. Service will cost 4 cents per minute.

#### Shakeout

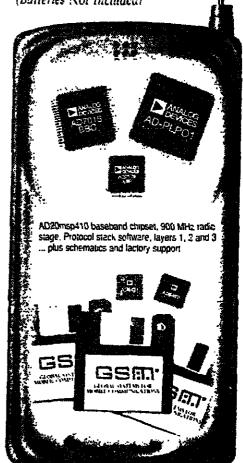
It is highly unlikely that the market will support all of the above, and analysts predict that a maximum of three will survive the next 10 years, with Inmarsat-P and Iridium as the favorites.

Certainly the market for MSS is a moving target, with competition coming from all sides.

For example, the prime markets of India, Hungary, China, the former Soviet Union and others have already awarded large contracts for wireless local loop (WLL) installations.

By the time the MSS providers are ready to offer service, they might find it difficult to compete with WLL prices of \$500 per

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# THE WIRELESS EDGE IN SOUTH AMERICA

Competition in Peruvian telecommunications hinges on the mobile market.

ele 2000 SA, Peru's number-two telephone company. to give a new impulse to its wireless-based phone service, according to Eduardo Castro, the company's general manager. The company has hired Paine Webber Inc., New York, to weed out potential suitors, with one of the Baby Bells, possibly BellSouth or Southwestern Bell, favorites to take a joint controlling interest in the company.

The new partner would give Tele2000 the expertise and fi-

nancial backing to compete on equal terms with its much larger rival. Telefónica del Peru SA, in what has so far been a largely one-sided battle.

Telefónica del Peru is controlled by Telefónica de España, Madrid, which last year paid a stunning \$2 billion for the Peruvian phone system and a monopoly on basic telephony until 1999. Since Telefónica also owns the Chilean and Argentine telephone systems, one attraction was certainly Peru's strategic location in South America. But there is also great growth potential. Peru currently has one of the lowest phone-per-capita figures on the continent, and Telefónica will spend another \$2 billion over five years to drag the system toward the 21st century.

Neck and neck

On the other hand, the monopoly that Telefónica bought has not proved particularly airtight. With around 20,000 subscribers, Tele2000 is running neck and neck with Telefónica



UNLIKE CELLULAR SYSTEMS, which are designed to be complete networks, cordless communications are based on air interfaces only, and are therefore able to interface directly with any type on network. The first applications of cordlessness were based on analog technology and were used to provide domestic telephone users with extended mobility within the home. These analog systems provided no speech security and were prone to interference.

Globally there are three second-generation digital cordless technologies - CT2, DECT (Digital European Cordless Telecommunications) and the Japanese PHS (Personal Handy-phone System). Cordless communications have expanded from the residential area and are now deployed in offices and in public access networks. In the office environment, the provision of cordless extensions on a PABX enables key personnel to be contacted wherever they are on the site. This is important in areas such as transportation, distribution, warehousing and hotels. A considerable proportion of corporate telephone costs are caused by staff ringing back customers or suppliers who have left messages, because the person they required was not at his or her desk. By providing key staff with lightweight cordless terminals that offer the full functionality of a wired desktop telephone, telephone costs can be reduced and customer service levels improved.

In the public-access situation, a network of cordless transmitters/receivers is set up in a city center or business district. Users can move freely within the coverage area making telephone calls - although receiving calls requires additional technology. Such systems are known as Telepoint networks and provide a low-cost alternative to cel-



Calling home from a street in Lima - that's where the competition is

in the mobile phone market, one of the few areas where competition was formally welcomed by the government. What was not foreseen is that Tele2000 would use its beachhead to eat into Telefónica's territory by offering cellular public phones and corporate phone systems using wireless

Tele2000's expansion drive has often threatened to grind to a halt, however, with the company's owner, the local Delgado Parker group, lacking the financial muscle to offer effective competition to Telefónica. It was particularly hardhit by the Mexican crisis, which forced it to abandon plans to raise fresh funds in the international market.

"The problem is that they have \$600 million to invest, and we have only \$40 million," Mr. Castro says. "If we can't get international financing we have to find a strategic partner."

Trading up

Financing is not the only motive. A top-class partner might even give Tele2000 an edge over Telefónica, an international analyst says. "Latin America is the only strategy Telefónica de España has," he says, "and its only justification is that they all speak Spanish. The measures of service in Spain are considerably worse than in Chile, so just where's the transfer of technology we've been hearing about?"

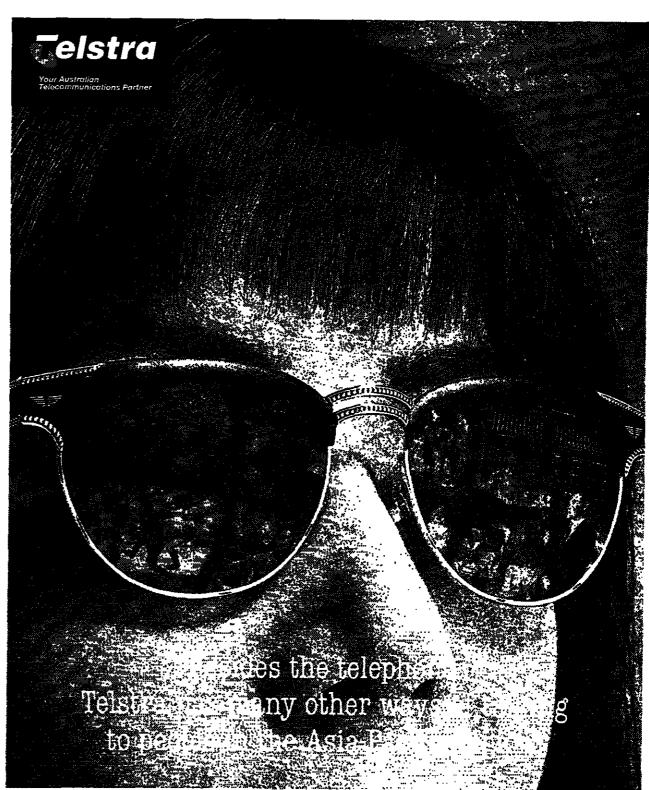
With that in mind, Telefónica is racing to install as many lines as it can to take up a commanding position before the market is formally opened to competition on June 27, 1999. "The biggest expense of a telephone company is fixed plant, things like ducts, cables, excavations to lay down fiber-optic cable," says Basil Fisk, president of Compania Andina Técnica SA, Cantec, which is supplying Telefónica with some of its new equipment. "The Spanish have bought the infrastructure, the satellite links, everything. In five years, they will be so well-established that their rivals will never be able to compete.

Wireless clout

Tele2000, however, sees things differently. "It would be difficult for us to compete head-to-head in the main business areas," says Mr. Castro, "but it will take them time to get cables to farther-flung areas, and we are strong there now with wireless.

The company is working on a Cellular Digital Packet Data system to handle data transmission, targeting especially point-of-sale systems and automatic tellers. The problem for Telefónica is that a chain is only as strong as its weakest link," Mr. Castro says. "Its national network will be able to handle data, but at a local level it will have to cover the final stretch over 50-year-old copper cable. With microwave and coaxial cable, we can take 50 percent of the market for an investment of \$100 million."

Peter Hudson



As businesses turn to multimedia networking to communicate with their markets, Telstra is leading the way in connecting the world to the Asia-Pacific region through a variety of multimedia channels. We are building a world class digital broadband fibre/coaxial coble network. In a joint venture with News Corporation, entertainment services will commence on this network in late '95. Telstra is also developing a range of advanced interactive services, evolving to broadband as technology and the market matures. For global corporations, the network will provide access to multipoint videoconferencing around the Asia-Pacific region. In another joint venture, Telstra and Microsoft Corporation will provide an international on-line messaging, information and transaction service to Australia's PC users via our existing norrowband and ISDN networks, creating a global publishing platform and distribution channel for new and innovative products and services. With Telstra as your Asia-Pacific telecommunications partner, you can connect to the network technology of the future. Talk to us about your specific needs at Stand 7.317 at Telecom '95, or call Telstra in Australia from: SHIGAPORE 800 6161 341 • HONG BON 680 4669 • MALAYSIA 800 4722 • INDONESIA OD 800 61 803 • THABLAND 001 800 61 4699 • PHILIPPINES 1 800 617 0026 • TANKAN 0080 61 1183 • JAPAN 0031 61 630 • SOUTH KOREA 0078 61 14703 • CHINA 10800 3559 • NEW ZEILAND 0800 442551 • OR 89- INDIA 91 11 335 5785 • SEI LANKA 94 1 330550 • NETHAN 84 226 180, 84 8 231 075 • U.E. +44 171 828 2228 • U.S.A. +1 415788 5951

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# TRACKING TELECOMS

# MOBILE & WIRELESS COMMUNICATIONS

## **LEAPFROGGING** THE TELECOMS GAP

Mobile systems are bridging the communications gap between industrialized and less-developed countries.

he International Tele- delivering access where othcommunication Union now estimates that 4 billion of the 10 to 15 years," says Dan world's 5.7 billion people still do not have basic telephone service. "The gap is a growing obstacle to global trade and economic development," says David Karimanzira, minister of information, posts and telecommunications in Zimbabwe. There is a real concern that

we may never catch up." While some developing countries will almost inevitably be stuck on the shoulder of the information superhighway, one popular way to bridge the gap is to play technological leapfrog. Financing is always the primary obstacle - few countries can instantaneously install state-of-the-art telecommunications networks. But many are leapfrogging the communications gap today with wireless and mobile telephone systems.

Penny-wise The European Bank for Reconstruction and Development (EBRD) recently commissioned a report from Coopers & Lybrand which indicated that wireless systems are the most cost-effective manner to develop or upgrade telecommunications networks in many areas where density is lower than 200 subscribers per square kilometer. Fixed wireless systems can be installed five to 10 times faster than wireline networks, which require considerable investment in infrastructure, cause they provide lesser-

Stefanescu, a senior telecommunications engineer at the EBRD.

Fixed wireless networks. which provide service to customers from a radio station to antennas in homes or offices, perform just like the regular telephone, and industry pundits expect such networks to account for the majority of an estimated 400 million to 800 million wireless subscribers by the year 2000. They are already installed in Brazil, Chile, China, Colombia, Finland, Germany, Ghana, Malawi, Mexico, Russia, Spain, Sri Lan-ka, Vietnam, Zambia and other countries.

Cellular mobile telephone networks are, of course, also booming. Asia, where mobile telephony grew 80 percent last year, has overtaken Europe and North America as the fastest-growing cellular market in the world. "Wireless technologies are starting to develop into an effective alternative to traditional wireline communications networks," observes John E. Major, a senior vice president at Motorola.

Secure standards

Developing countries can also install systems with a little more security today due to increased standardization in the mobile tele-phony arena. "The products we standardize help bridge the communications gap beand initial costs are compar- developed countries with atively small, increasing stable technology at lower only as new subscribers are cost from a variety of suppliadded to the network. ers," says Karl Heinz Rosen-"Wireless is a good way of brock, director of the Euro-



In low-density phone line areas, mobile systems can bring telephone service to more customers, faster.

pean Telecommunications Standards Institute (ETSI), noting that the rapid growth of cellular telephony in Eastem Europe is largely due to the more than 100 GSM (Global System for Mobile) digital cellular system standards developed at ETSI. These are being reviewed and considered in more than 100 countries.

The wireless revolution also inspires competition and brings new players into the game. A number or local companies in Russia, for example, are planning to integrate Russia's cellular network to enable nationwide

The future for wireless telephony, in both developed and less-developed countries, is likely to involve mobile satellite systems that will provide wireless telecommunications to areas not covered by terrestrial systems as well as a link for customers who roam beyond the area covered by a cellular network.

Though there is a continual debate about how to pro-

vide telecommunications capabilities to less-developed countries, the goal of wireless communications will not necessarily translate into a telephone for everyone to completely eradicate the communications gap.

Limits and freedoms "Developing countries should realize that providing universal service to the entire population will be too expensive," says Eric Almquist, a director of the Boston-based consultancy firm, Mercer Management Consulting. 'They must instead concentrate on customers who will be profitable early, or they will sim-

ply go broke."
The explosion of wireless communication will almost certainly have political ramifications. "The political and social implications are unimaginable, because the technology will simply wrest control from government and institutional leaders," says one observer in

Joel Stratte-McClure

# LEBANESE WIRELESS RECONSTRUCTION

Modern technology has helped to overcome the infrastructure damage caused by the years of war.

L he Lebanese have leapt into the age of the mobile telephone, which has become the lifeline for all business communications following the destruction of the fixed-line system after 17 years of civil war.

Until fairly recently, it was easier to call a number in Beirut via the cellular network in New York than to dial a local number in a neighboring street. When it is completed, Lebanon's system will be one of the most advanced GSM (Global System for Mobile) systems in the world, with some 600,000 lines - equivalent to one mobile for every fixed telephone line in the coun-

try.
In June, with the first stage of a \$30 million contract shared between France Telecom and Libancell nearly in place, Prime Minister Rafik Hariri appointed Al-Fadi Chalak, former chairman of the Council for Development and Reconstruction (CDR), as the new minister of posts and telecommunications.

Mr. Chalak's job has been to deal with early teething problems in the GSM system and to ensure that the reconstruction of the nation's telecommunications continues with all urgency. The total contract value for fixed and GSM systems is worth \$500 million. It has been broken down into various sections shared between Siemens, Alcatel and Ericsson. The latter is providing half of the 100 base stations needed for the GSM network.

From scratch Virtually the whole of Beirut's infrastructure, including telecommunications, was wiped out by the war, and the CDR has had the unenviable task of bringing it back to prewar levels as soon as possible. After initial delays about contracts, the mobile communi-

cations section was awarded last year. France Telecom Mobiles Liban (France Telecom Mobile International is the major shareholder, together with other private investors) and Libancell

(Telecom Finland International has 15 percent: the rest is private Lebanese investment) are constructing two GSM systems, each of which will have 50,000 lines in the first phase. By summer, approximately 30,000 subscribers were on line, compared with only about 6,000 in 1994. France Telecom hopes to cover the whole of the country by the end of the year. There is an annual subscription fee of \$500 for connection to the service, plus a monthly rental fee and call charges whose tariff is fixed by the government, which takes a share of the rev-

The most interesting thing about the France Telecom contract is that it was one of the first to be awarded on a build-operate-transfer system. "This is a very rare event," comments Lionel Coussi of France Telecom in Beirut. The initial contract is for 10 years. with an option for another two years at the discretion of the contractor.

# BEAT THEM, JOIN THEM: TELECOMS TIES

Continued from page 11

Communications group. Wireless, he points out, complements wired technology. Digital standards such as GSM and DECT provide greater capacity for more subscribers, but they are not intended to replace every other alternative. Ernst Eidenberger, director of communications for Alcatel Mobile Communications in Europe, adds, "We are showing some new things that respond to the market needs of both mobile and wired operators," pointing to the company's GSM pay telephone as a viable alternative in places where the laying of wire is difficult.

In 10 years, the next generation of global communications networks may conceivably link 250 million mobile subscribers. Meanwhile, with 10 million of them due to become GSM subscribers by the end of the year, al-

liances are the order of the day.

Herbert Ungerer, head of telecommunications services in the European Union's competition division, predicts the latest wave of cellular competition will lead to the telecommunications sectors' liberalization well before Brussels' 1998 deadline.

In France, for example, the mobile stake in Vebacom, a joint venture with

com's third-biggest customer, and itreceipts on leasing lines from the national monopoly in 1994.

Générale des Eaux, which has a 46 percent stake in the SFR mobile telecommunications network, is also the country's second-largest cable television operator.

To counter the upcoming competition of mobile newcomer Bouygues. Générale des Eaux has also established a strategic alliance with the energybased conglomerate RWE, Germany's sixth-biggest company. RWE, in turn. is planning to apply for an operator's license and is reportedly talking to AT&T in pursuit of a potential international partner.

Plans to accelerate the liberalization process in Germany, Europe's largest national market, have sparked off a flurry of activity.

The energy group Veba is staking \$6.5 billion on its bid to gain 10 percent of the market at the head of a consortium with steel giant Thyssen, Bell-South Enterprises of the United States and Britain's Vodaphone.

Cable & Wireless has a 45 percent

phone network SFR is France Tele- Veba that has been reportedly talking to IBM and STET. The strategic alwas obliged to spend 35 percent of its liance's plans to set up a pan-European mobile phone business were given an EU go-ahead in August.

The Viag group has announced that it plans to apply for a fourth national mobile license next year. The company, which set up a Concert joint venture with BT in April, is reportedly considering an alliance with stateowned rail operator Deutsche Bundes-

Hermes, a joint venture between the U.S. developer Global Telesystems Group and the Hitrail consortium of railroad companies, already has plans to install a cross-border communications network by laying fiber-optic cable alongside Europe's rail lines.

In the United States, having acquired the McCaw cellular network's 5 million subscriber base, AT&T has invested \$1.68 billion in personal communications services licenses.

Sprint is spinning off its cellular business and also going into PCS technology by building a \$5 billion coastto-coast wireless network with three of cable television industry's major play-

Steven Bartlett



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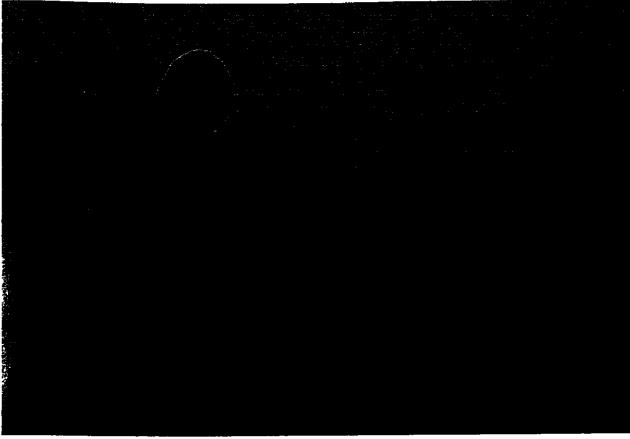
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A digital cellular phone being used at Uluru (Ayers Rock) is startling proof of the breadth of cellular network coverage across this enormous continent. Although one of Australia's most famous landmarks, the 600-million-year-old Uluru is also one of the most remote tourist centers in the world. The nearest fixed phone line is at Alice Springs, 478 kilometers

By the end of this year, Telstra's MobileNet digital net-work will be one of the world's biggest in terms of geographic coverage; its analog coverage is already the world's most extensive. Telstra is one of three carriers providing analog and digital mobile phone services - the others being Vodaphone and Optus - to the fast-growing Australian mar-

Sales figures of around 70,000 a month mean that more than 2 million Australians, or about 13 percent of the nation's population, have gone mobile. By the end of the century, this figure is expected to grow to more than 4.5 million, or more than 20 percent of Australia's population, with a rapidly increasing trend toward digital.

"Telstra's mobile business grew by more than 70 percent last year," says Telstra's mobile communication services managing director, Ian Shiers. "This added more than one phone companies."

million new customers to our analog network in 15 months, giving us the second-highest penetration rate in the world after Scandinavia."

Telstra's nine-year-old analog network now reaches 89 percent of Australia's population. Its digital cellular network is also the nation's largest, reaching about 87 percent of the population, and is expected to equal analog coverage by the end of the year.

Digital coverage is also available in some areas that have not had analog network access, demonstrating Telstra's commitment to expanding its digital service following the Australian government's decision to phase out analog services by the year 2000.

Telstra's MobileNet also offers a package of network services, including international roaming in 150 cities in 27 countries, a two-way paging service called MobileNet Memo, a voice mail service on both analog and digital, a computer message service and a fax and data service for digital cellular launched in August this year.

"Telstra MobileNet is now emerging as a key player in the global mobility market," says Mr. Shiers. "We have MobileNet networks in Sri Lanka, and will soon in India. Telstra was the first carrier to make a cellular call in India, despite intense competition from some of the world's biggest phone companies."

# MORE U.S. SPECTRUM GOES ON THE BLOCK

On sale soon by the FCC: 900 MHz frequency for specialized mobile radio services.

munications Commission is continuing its recent policy of selling off pieces of the radio spectrum with its auc-tions of SMR (Specialized Mobile Radio) service. Observers consider it highly unlikely that the auctions of the SMR, with a frequency of 900 megahertz, will bring in anything close to the esti-mated \$7 billion earned by the auctions of PCS (Personal Communications Services) spectrum last year.

Nevertheless, the SMR auctions will undoubtedly attract many of the major players in the telecommunications field. While SMR, because of its relatively limited allocation on the spectrum, cannot provide the full range of PCS services, it

established in 1987, but the older licenses were confined to limited service areas. By contrast, the upcoming auctions will open up services to 20 licenses in each of 51 contiguous Major Trading Areas, which together cover the entire United States. For example, the Los Angeles MTA extends all the way to Las Vegas, Nevada, and the New York MTA meets Boston's. In fact, MTAs are bigger than regional cellular phone areas. Also, with cellular areas, there are gaps in rural areas, whereas there are no coverage gaps in SMR MTAs. All successful bidders will have to cover most of their service areas within three years of having been awarded their licenses,

to five years if they cover two-thirds of the population by then or at least prove they are providing "substantial service.

themselves will resemble other recent FCC auctions, i.e., simultaneous multipleround auctions. But some see potential for problems in the lack of standards within the 900 MHz spectrum. "We are not engaged in any standardization for SMR," says Eric Schimmel, a technology expert with the Telecommunications companies providing SMR

years, but that industry never came to us. Generically, with these services, the FCC is not willing to mandate the operability of The form of the auctions the services; they would not take a position. They want the marketplace to make its choice." As a result, there are six PCS standards - not necessarily interoperable.

Whatever works The American Mobile Telecommunications Association, the Washington-based trade group that represents Industry Association in services, on the other hand, Washington. "We have sees no problem with a lack

I he U.S. Federal Com- but they can stretch the time made overtures over the of equipment interoperability. "Once you have spectrum positions, you can put in whatever works. The auction winners will likely be people already within the 900 band," says Jill Lyon. director of regulatory regulations for the AMTA. "Some companies would like to expand into a wider [service] area. There will also be some successful

mobile data networks." As for the companies that will participate in the auctions. Ms. Lyon says. We are expecting that incumbent licensees will be very active and fairly successful in the auctions." These were the companies originally licensed when the FCC approved the establishment of a 900 MHz service back in 1987. "This is actually Phase Two of a proceeding started a long time ago," Ms. Lyon adds. "These peo-ple are finally being given a

chance to expand."
In 1987, the licensees were granted limited services areas, not entire MTAs. Any new company granted a license, however, will have to be located at least 70 miles away from any original 1987 licensee's station. The original licensees will be allowed to retain their 1987 service areas, but will be confined to those areas.

It is generally agreed that, regardless of who purchases the licenses, the auctions are not likely to bring in anywhere near the amount of the more versatile PCS auc-

"If they're expecting the same kind of money as a PCS auction, they will be disappointed," Ms. Lyon comments. "There is no comparison between the spectrums '

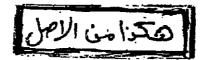
Steve Weinstein



support limited data applications, but the introduction of genuine data-over-cellular functionality required the move to digital standards like GSM (Global System for Mobile). The last five years have also seen a rapid expansion in many countries within Europe of dedicated mobile data networks. These use proprietary technologies to provide targeted solutions for particular applications. Mobile data operators are licensed to provide national radio networks, which can be accessed by customers to provide two-way data communications. Users are typically companies that need to communicate with a number of field staff and that require more than just voice services, such as service companies that send call information or technical data to their engineers or utilities that need to collect telemetry information. This market has been slow to take off, due mainly to the need to develop specific solutions for every user. There are indications, however, that the dedicated mobile data user base is growing strongly and that the technology will provide a useful service in the future.

first-generation analog cellular technologies were able to

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### SPONSORED SECTION

# TRACKING TELECOMS

### MOBILE & WIRELESS COMMUNICATIONS

# SOUTH AFRICA DISCOVERS **'COMMUNITY PHONE SHOPS'**

Cellular phones are bringing telecommunications to disadvantaged South Africans.

South Africa's previous to contribute toward the communications monopoly. white-dominated government granted licenses to the country's first two cellular telephone network operators. Vodacom and MTN, in 1993. But before it came to power in 1994, President Mandela's African National Congress threatened to cancel the licenses unless the licensees used their technology to help the black population. This stimulated both companies to generate ideas that break new frontiers of cellular technology and

The licenses were granted after Vodacom submitted a package that includes. among other things, placing 22,000 cellular phones in underdeveloped areas; MTN's package includes placing 7,500 cellular phones

#### Phone shops

Vodacom is establishing more than 2,000 "community phone shops" made from refurbished shipping containers fitted out with a reception area and 10 private cubicles, each containing a cellular phone. These look like fixed-line instruments, but the calls are transmitted by cellular technology. There is a dearth of fixed-line phones in South Africa's disadvantaged areas, partly because copper cable - sometimes several hundred meters at a time often disappears almost as soon as it is laid.

Vodacom's scheme also provides opportunities for emerging entrepreneurs to run the community phone shops. They receive free training in bookkeeping and the operation of phone capital cost. The walls of the shipping containers are marketed as advertising bill-

The new scheme has provided help for disadvantaged areas and opportunities for entrepreneurs

boards, which provide further revenue for the phone shop operators.

#### Smart cards

MTN has developed what it claims is the world's first GSM (Global System for Mobile) pay phone to use a prepaid smart card, similar to a credit card, in which a microchip is embedded. The cards are sold for cash, and reach the consumer through a network of subdistributors that includes small shops and unlicensed taverns in the informal sector. The MTN cellular pay phones look like conventional pay phones, but work only with the prepaid smart card.

Chief executive officer of MTN, John Beck, says MTN and Vodacom subsidize these services heavily. Charges to the public are about half of those for conventional fixed-line calls and about one-sixth of those for conventional cellular

Both companies have built in generous margins for the entrepreneurs in their schemes, which means their revenues on a call are less than the interconnect fees they pay to Telkom, the shops, and are not expected government-owned tele-

Both companies also bear all capital costs.

This is unlikely to burden them in the long run, as these phones will constitute a minute percentage of the total cellular market in South Africa, which is growing fast even by cellular phone standards. The services began officially in June last year, and by the end of March this year 330,000 subscribers were on line. A figure of 500,000 is expected by March next year, compared with the 450,000 originally expected

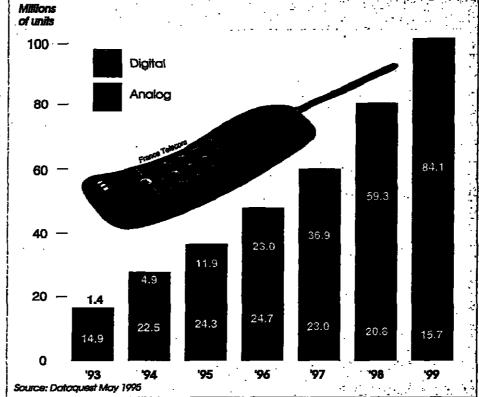
Capital expenditure by the cellular telephone industry is currently higher than that of any other industry in South Africa.

by the year 2004.

Curt von Keyserlingk



Digital technologies are predicted to be the driving force behind cellular phone production through the end of the decade, accounting for more than four-fifths: of the market by 1999.



### Cellular

THE CONCEPT OF CELLULAR TELEPHONY WAS born in the Bell Laboratories in the 1960s, but the technical capability was not available to develop such systems until the late 1970s. Cellular telephony, as the name indicates, is a radio communications system in which a country is covered by a series of contiguous "cells," within which are base stations providing two-way communications for subscribers within the cell. Cellular networks are complete systems. The voice traffic is carried to and from the base station through dedicated links and switched through special switching nodes. A mobile-to-mobile call never utilizes the public switched telephone network.

The first cellular systems were designed for installation in vehicles, and were necessarily heavy and cumbersome. Over the last 15 years, however, an immense amount of research and development has been devoted to cellular terminal design. Today's portable phones are lightweight, can easily be slipped into pockets or bags, and offer extremely lengthy talk times thanks to advances

in battery technology.

The first generation of cellular phones used analog technology that, although perfectly acceptable, was not able to fully support advanced services such as data transmission. In addition, a number of different and incompatible analog standards were adopted around the world, which meant that a subscriber in the United States, for example, could not use his phone to call Britain, France or Scandinavia. In the late 1980s, it was decided to move to digital cellular, which could provide the features and functionality that the market was demanding. The most successful digital cellular standard has been GSM, the Global System for Mobile communications.

## JAPAN'S HANDY-PHONE BRIDGES CORDLESS/CELLULAR GAP

The Japanese Personal Handy-phone brings mobility to the masses - at a price much lower than that of cellular phones.

▲ he development of Japan's PHS (Personal Handy-phone System) started just five years ago. But 10 years from now, the number of users could top 20 million.

PHSs are inexpensive pocket phones that operate on a new cellular standard and simplified digital portable technology. They were introduced to the Japanese market on July 1.

Some 33 licenses in 11 regions have been granted so far. Operators include DDI Tokyo Pocket Telephone Inc., DDI Hokkaido Telephone Inc. and NTT Central Personal Communications Network Inc. Tokyo and the northern island of Hokkaido now have the service. ASTEL Kansai Corp., for instance, will soon offer the PHS in Osaka as well.

#### On the bandwagon

"Other service providers will start their services this fall or by next spring, says Tadanobu Okada, chairman of the per-sonalized services working group for Japan's Telecommunication Technology Committee and researcher at Nippon Telegraph & Telephone Corp. (NTT). Current estimates put the initial number of subscribers at \$1,000, says Mr. Okada. Says H. Yagata, president of Sanyo audio-video business headquarters, "Market forecasts indicate that up to 38 mil-

lion PHS units will be sold by the year 2010. As people become familiar with the benefits of PHS, we can expect demand to expand rapidly." Sanyo is producing PHS units at an initial rate of 50,000 a month. The phones are popular with users in crowded commercial and residential districts of Japan who are looking for convenience and low prices.

#### Fish and fowl

The basic concept of the PHS is that it should serve as a portable phone outdoors and a cordless phone indoors. Costs are lower than for cellular phones because the range, or area in which it can be used, is limited. The system relies on lowcost outdoor base stations covering an area of several hundred meters. The phones have very low transmitting power.

This means the PHS units cannot be used on trains or in moving cars. Nor can they be used to call traditional cellular phones or make international calls. Improvements are under

way to overcome these limitations. The main advantage for PHS users is price. The units cost between 40,000 yen and 55,000 yen (\$40 to \$55) per handset, while some cellular units run as much as 90,000 yen. For a three-minute call, the charge is just 40 yen versus 150 yen on a cellular phone. Batteries last about 500 hours.

The PHS project began in 1990 through efforts organized by the Ministry of Posts and Telecommunications. Standards were drafted and later finalized by the Telecommunications Technology Committee, a consortium of telecommunications organizations. NTT carried out its PHS trials in 1993 and 1994.

In the future, the PHS system should be capable of sending sound and moving images - something conventional cel-lular phones cannot do. This is because PHS has extra bandwidth not used for switching calls between base stations.

### CT-2 FINDS COMFORTABLE NICHE IN ASIA

CT-2 based systems are booming in Asia, where the subscriber base is estimated at 300,000.

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**MOTOROLA** 

Second-generation cordless telephone (CT-2) systems were introduced in scribers) and China (50,000 nearby sources. In an effort respects. The handsets have Asia three years ago, imme-subscribers). They are also to solve this problem, some diately bridging the gap bethose who could only afford to carry a fake mobile phone.

CT-2 handsets look just like cellular phones. Calls can be made as long as the user is positioned within the designated distance from a base station - strategically positioned to blanket a given cityscape. The major difference is price: CT-2 users pay a fraction of the cost cellular users pay for hardware and operation.

Since 1992, these digital, low-capacity cordless phone networks have achieved

their biggest beachheads in they could not receive in- still lags behind cellular popular in Singapore, Thai- CT-2 systems were sold

The popularity of cordless systems has brought a problem: the collection of payment

land and Malaysia, with im-minent launches in the with built-in pagers so users could immediately call back works for South Korea, Taiwan and India.

### Outgoing

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One big drawback of CT-2 when it was first introduced was that it was a one-way system - users could dial locally and internationally, but

**BILLING and CUSTOMER CARE** 

anyone trying to get in touch. Technology has now progressed to the point where systems featuring two-way functions are being introduced throughout the

Despite the solution of this particular problem, CT-2 shorter transmission ranges, with use limited to urban ar-Nor can they be used when standing still or riding in a vehicle going less than 8 kilometers (5 miles) an hour.

Another issue facing CT-2 service providers - especially in larger countries – is the collection of payment for its

In Taiwan, providers are concerned that it will prove uneconomical to hire people to collect fees door-to-door, and they are encouraging the use of direct-debit payments from customer banks.

In Hong Kong, service provider Chevalier Telepoint has teamed up with the Shanghai Commercial Bank to launch the Telepoint MasterCard, a credit card that automatically looks after monthly CT-2 charges.

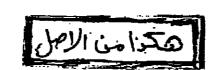
#### More niches

In addition, CT-2 providers are facing competition from newer technologies. In Hong Kong, there is now another alternative to keeping in touch: Pacific Link's Walking Phone, launched earlier this year. Walking Phone is aimed at customers who are dissatisfied with standard CT-2 services but who do not choose to trade up to a fully digital mobile telephone service.

Walking Phone offers similar functions to the CT-2, but is fully mobile as a standard cellular system and allows for the placing of phone calls for an extended distance beyond the usual closed sphere from transmission base stations. The handset can also be used as a pager - the user hits a single button after an incoming page and is immediately connected with the caller. Walking Phone costs just \$988 Hong Kong dollars (\$127) with a trade-in of a used CT-2 unit - one of the lowest prices for mobile telephony in the region.

Paging, for its part, remains a significant sector in Asia. Malaysia's Sapura is the domestic market leader with extensive digital paging coverage of the west coast of Malaysia, using its own operating system developed by its research and development company.

Julia Clerk

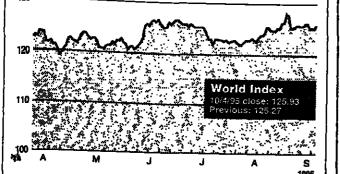


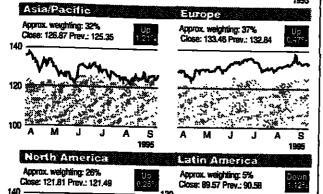
PACE 19



MORNING.

THE TRIB INDEX: 125.93 International Herald Tribune World Stock Index @, composed of 280 internationally investable stocks from 25 countries, compiled by Bloomberg Business News. Jan. 1, 1992 = 100.





	Wed.	Prev. close	change		Wed, close	Prev. close	% change
Energy	124.94	123.71	+0.99	Capital Goods	133,50	134.09	-0.44
Utilities	124.57	124.30	+0.22	Raw Materials	140.97	141.36	-0.28
Finance	118.18	116.98	+1.03	Consumer Goods	128.35	127.32	+0.81
Services	119.93	119,67	+0.22	Miscellaneous	140.50	140.45	+0.04

# Global Wireless: Still a Dream?

By Mark Landler
New York Times Service

GENEVA — The concept has great promise: a string of satellites offering genuinely global wireless-telephone ser-vice so a caller would never be out of range.

Making the concept reality, however, is proving stubbornly difficult. As the telecomhere for its quadrennial trade show, Telecom 95, the four major services in the nascent global wireless business are on the defensive for the first time in their brief history.

A pair of troubled recent

debt offerings have raised questions about the viability of so-called global personal communications.

A satellite service, Iridium Inc., canceled a \$300 million bond issue last month because it could not reach agreement with prospective investors on how much the bonds should yield, and industry executives said a rival service, Globalstar LP, was encountering resistance to a \$400 million offering for the same reasons

"We've had no experience whatsoever with satellitebased personal communications," said Bill Deatherage, a telecommunications analyst at Bear, Stearns & Co., "so it's all very speculative."

On paper, global personal communications would seem

to plug a yawning gap in wirethen switches it to a land line. less communications. where the call is completed.

Cellular telephones work only within range of transmission towers, and they rarely



munications industry gathers function outside their home markets because countries use a hodgepodge of formats to transmit cellular signals.

Iridium's system, by contrast, picks up the call from a hand-held telephone, passes it from satellite to satellite and

Executives of satellite companies were out in force here Tuesday to argue that global

personal communication is tailor-made for two markets: globe-trotting business people who want to reach their offices from remote locations, and developing or undeveloped countries where phone lines are scarce.

A few of the satellite-company executives wielded nonworking cellular phones as evidence of the need.

"There is a category of consumers who can, and will, pay extra to be able to communi-cate anytime, anyplace," said

## Nynex Invests in Jakarta

GENEVA - Nynex Corp. said Wednesday that it would buy 23 percent of an Indonesian mobile telephone venture that plans to invest \$800 million to develop a nationwide, digital, cellular-telephone network.

The American telephone company and its partners, Mitsui, the Japanese trading firm, and Asian Infrastructure Fund, an Asian investment firm, will invest \$250 million in Excelcomindo. The remaining investment will come from PT Teleko-mindo of Indonesia and local investors, including Santana Telekomindo, Yayasan Kartyika Eka Paksi and Yayasan

"Our focus in the international market is in Asia, that's where our developmental activity is and where we will spend most of our dollars," Fred Salerno, Nynex vice chairman of finance and business development, said. "Asia is a high gross area from the GDP point of view, it has a low penetration of telephones and it's a place where we can realize our invest-(Reuters, Bloomberg)

Robert W. Kinzie, chairman and chief executive of Iridium, which was set up by Mo-torola Inc. in 1990. "We see this as a way to create an entirely new business."

The recent travails of Iridium and Globalstar, however, underscore just how speculative this business is. Apart from the technical

question involved in using dozens of satellites or hundreds of ground stations to handle calls, several telecommunications specialists said the companies might be over-estimating their markets. Iridium, which is aiming its service primarily at affluent business travelers, figures it can sign up 650,000 subscribers by 2000.

But the company plans to charge \$3 a minute for its service. At that price, some question whether even well-heeled executives will use the service as anything other than a last resort when no other phones are available.

Globalstar and another competitor, Odyssey, a joint venture of TRW Inc, and Teleglobe Canada Inc., plan to focus on countries where telephone systems are primitive. But Mr. Kinzie said it was difficult to see how those markets could be profitable.

"I don't know how to sell a peasant a telephone," he said. There are no Radio Shacks

# **SEAT Will Cut** Capacity to Get Spanish Bailout

By Tom Buerkle International Herald Tribune

BRUSSELS - SEAT, the Spanish subsidiary of the automaker Volkswagen AG, has agreed to cut production capacity by 30 percent to win European approval for a government bailout of 46 billion pesetas (\$370 million), officials said Wednesday.

The agreement, although not expected to be made final until the end of the month, would remove a cloud that has hung over SEAT since it posted a huge loss of 151.1 billion pesetas in 1993.

The Spanish government agreed in July 1994 to provide 38 billion pesetas in aid after Volkswagen threatened to close the company down. The regional government of Catalonia, where SEAT is based, added a further 8 billion pesetas.

"We are all very happy about the announcement, which we had all hoped for and expect-ed." Utz Claassen, SEAT's chief financial officer, was quoted by Bloomberg Business News as saying.

Wednesday at a meeting in Brussels between Karel Van Miert, the European commissioner for competition, and Juan Manuel Eguiagaray, Spain's minister for industry. Details of the agreement should be final by the end of the month, officials said.

Under the plan, SEAT has until December 1997 to shut its assembly plant in Zonafranca which has the capacity to produce 1,000 vehicles a day, said Willy He'lin, a commission spokesman.

The 30 percent cut was basedon SEAT's capacity in 1993 of 780,000 cars a year. That amounts to a reduction of 5 percent to 6 percent in capacity for all of Volkswagen, Europe's biggest automaker.

The Spanish government submitted the new plan after the commission rejected a different proposal earlier this year that claimed the subsidies would be used for research and development.

The subsidies in effect are being used to finance massive layoffs. Since SEAT began its The capacity cuts were restructuring last year, it has let agreed to provisionally on 6,000 of its 18,500 workers go.

# Top Financial Officer at Apple Resigns After Board Backs CEO

Compiled by Our Staff From Dispatches

CUPERTINO, California - The top financial officer at Apple Computer Inc. resigned Wednesday after losing a board battle about the future of the company with Chief Executive Michael Spindler.

Joseph A. Graziano, the chief financial officer and executive vice president, quit after he made not sold because he did not believe it could an unsuccessful attempt to oust Mr. Spindler and put the computer maker up for sale, people close to the company said. It was the latest in a series of management shake-ups at the computer maker in the last decade.

"This points up the turmoil at Apple," said Bill Miller, fund manager at Legg Mason, which Mr. Spindler.

owns about 1 million shares of Apple. "You only resign when it is a major deal." Apple stock fell after the company announced

Mr. Graziano's resignation. The shares closed down \$1.25, at \$36.375. Mr. Graziano told directors Tuesday in Austin, Texas, that he would quit if the company was

survive alone, the people said.

The board backed Mr. Spindler, and Mr. Graziano resigned as a director effective immediate-

ly. He will leave the company by the end of the year, the company said in a statement, attribut-ing his moves to "differences of opinion" with

Apple is struggling to boost its dwindling market share, raise profits and compete against rivals that sell less expensive personal computers based on chips from Intel Corp. and operating software from Microsoft Corp.

"The board will continue working with Mr. Spindler to address the challenges and exciting opportunities we face in the dynamic personal computer industry," the chairman, Mike Markkula, said.

Due to a number of missteps, Apple has been and chronic underestimation of demand had future

raised speculation that the board would look at significant management changes when it convened in Texas for its regular meeting.

But the board struck an upbeat tone after the meeting. "The unprecedented demand for our new products demonstrates the growing appeal of the Macintosh platform," Mr. Markkula said.

While Mr. Spindler has enjoyed Mr. Markkula's support and has been credited with engineering the transfer to the Power Macintosh line, some observers have noted that Apple's board unable to keep up with surging demand for its ousted John Sculley two years ago at a time of new Power Macintosh line. A shortage of parts weak profits and doubts about the company's

#### INTERNATIONAL MANAGER

# Sorghum's Story: A Setback for Blacks

By Donald G. McNeil Jr. New York Times Service

OHANNESBURG - Sorghum beer, the first drink served at any African wedding or funeral, is as important to black Africans as wine is to Christians and Jews. It's also

big business.

But until the waning days of apartheid, the right to brew it was a pawn in South Africa's racial struggle. În 1990 that franchise, plus 20 state-owned breweries, was incorporated and returned to black ownership. The new company, National Sorghum

Breweries, with many of its 44 million shares in the hands of small investors, instantly became the largest blackowned industrial enterprise in South Africa, the chief symbol of a new black economic empowerment.

But the experiment failed miserably plagued by a lack of capital, management mistakes, unwise investments, bad-ly marketed products, a huge competitor, bad luck, white bigotry and even a lingering prejudice against its product among some black customers. Two months ago, National Sorghum was substantially taken over by a conglomerate

National Sorghum's story is a parable for other black capitalists as they enter a marketplace shaped by years of apartheid and isolation, providing vivid evidence that even though blacks have won political power here, economic power is

White executives would do well to watch, too. They are, after all, facing a black government pushing aggressive free-trade and antitrust laws as an alternative to the monopolistic and tariffprotected world known until now by

The product that accounts for virtually all of National Sorghum's \$160 million in annual sales is sorghum beer, one of the world's few commercial products de-

veloped in the Stone Age. Brewed in eight hours and shipped unrefrigerated, it is drinkable for only four days. You know it is fresh by the worm: the twist of foam that fizzes out as

In 1908, arguing that blacks ought to pay for their own roads and schools, South African cities turned the traditional beer into a tax scheme. They outlawed home brewing of mashed sorghum grain in clay pots and built municipal-brewery beer halls next to train stations.

needed a license to buy any other alco-holic beverage. Understandably, in many demonstrations the first building

under its departing management, the hopes of many black capitalists rode on it. Its fate may help determine how blacks feel about competing in a white-

it keeps fermenting in the carton.

With government encouragement, la-borers drank away their paychecks, and many became placid alcoholics. Control was so strong that by 1962 an African

As dysfunctional as the company was

dominated economy.

South Africa's conglomerates.

torched was the beer hall.

leased Nelson Mandela, it also agreed to give back the sorghum beer business. The taker was Mohale Mahanyele, a business professor who led the National African Federated Chamber of Com-

ganization that fought with spreadsheets rather than guns. "My job was to demand that the state return the industry to the people it had stolen it from." Mr. Mahanyele said. "I had studied the company, so I was one of the black people most familiar with run-

merce, a little-known anti-apartheid or-

Rather than hand it over outright, the government set a price of 44 million rand (\$12 million) for 20 breweries probably

worth four times that. Within three months, Mr. Mahanyele had nearly 10,000 people, nearly all of them blacks, signed up for shares at one rand each. Mr. Mandela was given 100.000 shares, but the more typical shareholder was a shebeener - the owner of an illegal bar - who had cash and a

nose for the business. As was often the case for blacks in any organization that had been run by Afrikaners, the new boss was not made wel-come. "For the first six months, they kept me out," he said, "I was chairman, and I couldn't even get a parking place." Meanwhile, about 80 percent of the

virtually all-white work force quit. One guy said to me as he left, 'In my whole life, I never thought I'd have a black man for a boss. But a kaffir for my chairman? That is too much," Mr. Ma-

See SORGHUM, Page 23

# **2d Trader** Reported

Compiled by Our Staff From Dispatches TOKYO -- A second dealer was involved in unauthorized bond trading at the New York branch of Daiwa Bank Ltd., a Japanese newspaper reported Wednesday.

U.S. prosecutors last week charged Toshihide Iguchi, a former Daiwa Bank trader, with falsifying the bank's records in order to conceal \$1.1 billion in bond losses over 11 years.

The Asahi Shimbun said authorities had discovered that another dealer was involved in the incident after November 1993. A Daiwa spokesman said the bank was still investigating the loss and did not yet have details.

Japan's Finance Ministry has ordered Daiwa Bank to submit the result of its own investigation into the incident to the ministry by the end of October, ministry sources said.

Daiwa Bank said Wednesday it hoped to make the outcome of its investigation public by late November, when it announces its half-year earnings.

The U.S. Federal Reserve Board and the New York Superintendent of Banks earlier this week ordered Daiwa Bank to submit a written plan within five days to cut trading at its New York branch to the minimum necessary to serve customers and manage risk in existing posi-

Daiwa Bank said Wednesday ties step up their investigation.

corporate communications at the bank's Osaka headquarters, said Wednesday that Daiwa expected Ministry of Finance employees "tomorrow or the next day."

tices. They refused to comment on the details of the inquiry.

# Admiral's Eup Maîtres Artisans d'Horlogerie SUISSE

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it expected officials from the Japanese Finance Ministry to begin poring over its books by the end of the week as authori-

Keizo Tsujuyama, manager of

Japanese financial authorities confirmed that they had started a sweeping review of Daiwa Bank's risk-management prac-

Daiwa Bank denied press reports that its President, Akira Fujita, would resign to take responsibility for the scandal. (Reuters, Bloomberg)

# Involved in

Daiwa Loss They painted a generally positive picture of

growth worldwide in presenting the IMF's World Economic Outlook report, traditionally issued just ahead of the annual IMF-World Bank meetings here.

down," said Mr. Mussa. He said there were "a number of positive signs that in '96 we will see the path of recovery.'

back to 2.2 percent. But that is still above the forecast for 1995 of a sluggish 0.5 percent.

Positive signs, Mr. Mussa said, include a dramatic return of the yen to "a more reasonable" range of exchange rates and increased foreign investment following a period of decline. Nor did the IMF figures take into account recent fiscal measures announced by the Japanese govern-

this was "not untoward," because it had ended what might have been a threat of inflation.

# IMF Upbeat on World Growth

By Brian Knowlton International Herald Tribune

WASHINGTON - Japan, shaken this year by a banking crisis and a stagnant economy, can expect renewed growth by 1996, officials of the International Monetary Fund said Wednesday.

Prospects for Japan are probably better than IMF numbers show, said Michael Mussa, the IMF's economic counselor and director of research. "We'd expected an even larger write-

Japan move definitely and significantly toward A May prediction that Japan would see growth next year of 3.5 percent has been scaled

In other areas, the report predicted:

• A moderation of growth in the United States, Britain and Australia. But Mr. Mussa said

A continuation of relatively strong growth in France and Germany, though at slightly slower

rates than predicted in May, and a mild decline in the Italian growth rate.

• A rapid return to growth by Mexico, amid "significant signs of recovery," following a pre-dicted contraction of its economy by 5 percent in this year of economic crisis.

The IMF's forecast for the United States of modest 2.0 percent growth next year reflects some weakening of indicators, Mr. Mussa said. He attributed this partly to a mild inventory correction, a rise in long-term interest rates and a spillover of Mexico's corrections," which had

affected net U.S. exports. Any further easing of monetary policy beyond the small cut in the federal funds rate on July 6 appears unwarranted, the IMF report says.

Mr. Mussa cautioned that if the U.S. Congress

failed to forcefully reduce the federal budget deficit, as financial markets expect, the bond and possibly stock markets could react adversely.

Germany is expected to grow by 2.6 percent this year and 2.9 percent in 1996. Mr. Mussa said a slight weakening of the Deutsche mark "would probably be a good thing for Germany, and Europe, and the rest of the world's economies as In Britain, easing inflation pressures have largely removed the need for a rise in short-term

interest rates, Mr. Mussa said. Growth of 2.9 percent is expected this year, up from 2.7 percent The report said the French economy should be boosted by strong export demand and newly

ly to 2.8 percent in 1996. Mr. Mussa said Italy had set "quite ambitious" fiscal targets, but that the perennial question of their political "durability" left markets skeptical.

0-95

strengthened consumer confidence, though 3.0 percent growth this year is expected to slip slight-

In 1990, the year the government re-**CURRENCY & INTEREST RATES** 

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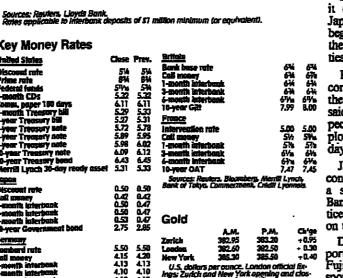
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#### **Very briefly:**

#### P & G Sues Bankers Trust for Frand

CINCINNATI (AP) - Nine companies lost \$520.9 million because of fraudulent dealings in risky derivative securities sold by Bankers Trust Co., Procter & Gamble Co. alleged in court documents that were unsealed Wednesday.

Procter & Gamble contends it lost \$195.5 million in 1994 because

it was duped by Bankers Trust, which denies the allegations.

A U.S. District Court judge granted Procter & Gamble's request to add civil racketeering charges to its lawsuit against

In the 750-page document, Procter & Gamble said the "fraud was so pervasive and institutionalized that Bankers Trust employees used the acronym ROF — short for rip-off factor — to describe one method of fleecing clients."

#### Factory Orders Rose 2.6% in August

WASHINGTON (Reuters) — The Commerce Department said Wednesday that new orders received by U.S. factories increased for the first time in three months during August as auto plants reopened to produce 1996 models.

Total orders rose 2.6 percent, to a seasonally adjusted \$301.6 billion; that followed a revised decline of 1 percent in July and a 0.1 percent fall in June.

 Peru will accept bids for 60 percent of Empresa de Generación Eléctrica de Lima SA, the state-owned electric company, on Oct. 17; four international consortiums have expressed interest.

• CompuServe Inc. is to start a service at the end of this year called Spryte that will link customers directly to the Internet without having to go through the on-line service.

# AT&T Seeks Lofty Internet Satellites

By John Markoff

NEW YORK - AT&T Corp., in an early sign of how it plans to pursue its Internet and global communications strategy after the company's planned divestiture, has quietly filed a federal application to build and launch a multibillion-dollar global satellite network.

The system would let computer users bypass local telephone networks and connect directly to the Internet via satellite dish antennas slightly larger than two feet (60.75 centimeters) in diameter.

AT&T's proposal and similar plans of at least six other companies — including Lockheed Martin, Motorola and General Electric — were filed by the deadline of last Friday set by the Federal Communications Commission.

The AT&T plan seeks to move the Internet beyond its current web of globe-encir-cling copper and fiber optic cables, taking the computer network into outer space.

"There is a large, untapped market for business users who want to send mediumto-high-speed data and who are now using terrestrial links," said Tom Lafleur, a vice president of Qualcomm Inc., a company in San Diego that specializes in satellite and cellular communications technology.

Although people familiar with AT&T's proposal discussed its details, company

executives refused to comment. AT&T has long used satellites to fill in the gaps in its international long-distance network, but the company has tended to rely primarily on fiber optics, copper wires, undersea cables and land-based communications switches -all of which it makes or installs through its Network Systems equipment division.

But now that it plans to spin off the equipment division as a separate company, the communications-services organization

is apparently more willing to consider satellite communications that might use few of the products it formerly made.

Also, as AT&T prepares to re-enter the business of providing local telephone service, the satellite network could help the company compete directly in the United States with the regional Bell companies, which expect Internet access over phone wires to be a lucrative market in the com-

AT&T's proposal and the other satellite plans have been filed as part of an FCC program allocating radio-wave spectrum on a new higher-frequency band, known as the Ka-band. The proposals will be consid-

ered by the agency during the next year. FCC officials said that the agency must first set out guidelines on how to go about deciding frequency allocation. Often, with satellite applications, the FCC lets an applicant's ability to raise financing play a

role in the winnowing process.

"The commission is now trying to evaluate how much spectrum is actually available," said Scott Blake Harris, chief of the international bureau of the FCC. "After that, we believe the best course is to let the market decide how this spectrum should

AT&T's proposed network of 12 satellites, which would rely on spacecraft posi-tioned at fixed spots around the earth at a distance of more than 22,000 miles above the equator, differs significantly from lowaltitude satellite networks proposed in recent years by various groups.

These include Iridium Inc., a consortium led by Motorola, and Teledesic Inc., a group whose primary investors are William H. Gates and Craig O. McCaw, the software and cellular telephone entrepre-

Iridium, which has recently encountered snags in financing its \$3.4 billion system. plans to send 66 small satellites into low

that will continue to be called AT&T Corp. orbits, about 100 miles (162 kilometers) above the earth. The Teledesic network, still mainly only a concept with a projected cost of \$9 billion, would use 840 low-orbit

The Iridium and Teledesic networks third-quarter earnings hurt auto. would provide mobile voice and data-communications services to people who carry powerful wireless handsets usable virtually anywhere on the globe.

By contrast, the AT&T network would be for users operating from a fixed loca- erage closed down 9.03 points tion, sending and receiving information through small antennas only slightly larger than the pizza-pan dish antennas that are coming into increasing use for the directbroadcast-satellite television service of-fered by the Hughes Electronics unit of General Motors Corp.

The complex Iridium and Teledesic systems will be expensive to operate and the cost to use them is expected to be as much as several dollars a minute.

AT&T predicted in its application that its service would cost "cents to dimes" a

Several people familiar with the AT&T venture said the telecommunications giant would be capable of financing its entire project, which is estimated to cost several billion dollars.

Whether it chooses to try to build the system independently or with a partner is a business decision. Teaming with one of the other FCC applicants might eventually

make sense and finding overseas partners might become geopolitically expedient. People familiar with the AT&T proposal said that the company estimated that such a system could handle 10 million customers worldwide and that each satellite would have a data-carrying capacity of one billion bits of information a second — the equivalent of being able to transmit the contents of the Encyclopaedia Britannica every 16 seconds.

# **Chip-Price Worries** Add to Profit Fears

Compiled by Our Staff From Dispatches NEW YORK - Stocks fell Wednesday as concerns about paper and chemical issues and semiconductor stocks fell on expectations that chip prices were

dropping.
The Dow Jones industrial avat 4,740.67. Declining issues led gainers by a 7-to-4 ratio on the Big Board.

Pulling the Dow down were Kodak, which closed down 112 at 58%; United Technologies, down 1% at 83%; International

#### U.S. Stocks

Paper, down 114 at 38%, and Goodyear, down 1 at 38%. Ford closed down is at 29% amid speculation that its Sep-tember car sales would fall. GM lost 1 to 443s.

High-tech stocks also fell after an advisory firm predicted that a shrinkage of chip orders

would drive prices down. Richard Whittington, an analyst at SoundView Financial Group, lowered his opinion on five semiconductor makers due to gathering evidence of shortening lead times and the potential for some impact on pricing over the coming months. SoundView specializes in high-tech stocks.

The impact spread across the computer sector, with the technology-heavy Nasdaq composite index closing down 18.18 points, at 1.002.27.

Among the declining issues were Texas Instruments, which closed down 51/8 at 731/4; National Semiconductor, down 134 at 25; Intel, 11/a at 58 11/16, and Micron Technology, 43 at 711s. Microsoft fell 214 to 861/8.

omy have waned. Profits have surpassed expectations for the past 10 quarters. Given the delay between an economic slowdown and its effect on profits, analysts said, earnings will soon start to reflect the weak growth in the Furman Selz, "there's not much second and third quarters. "You've got to start ques-

'soft landing' here is going to continue to be that soft," said Gil Knight, director of research at First National of Maryland. "Money's coming out of the economically sensitive stocks and going into financials and the consumer staples."

Indeed, food, beverage and consumer products issues rose. But the most significant gains were among pharmaceutical companies, especially Merck, which closed up 114 at 5014.

Banking stocks also were up, notably Citicorp, which closed up 11: at 731s, and Wells Fargo up 3 at 1991.

Neither stocks nor bonds reacted sharply to data showing a possible acceleration of economic activity. The Commerce Department reported that factory orders jumped 2.6 percent in August after a revised 1 75

cent decline in July. The department's index of leading indicators also was positive, rising 0.2 percent, compared with a 0.2 percent decline

in the previous month. Bonds closed up, with the benchmark 30-year Treasury rising 8/32 to 105 26/32. That lowered its yield to 6.43 percent from 6.45 percent Tuesday.

Among stocks, E.V. Environ-mental closed up 's at 2 after the environmental services company announced a merger with Aqua Care Systems.

But Genzyme fell 3 to 50 after it announced that an enzyme that could be used to treat the genetic disorder Gaucher disease was unlikely to have much of an impact on drugs that combat the disease.

Seagate Technology fell 1's to 38% after the disk-drive maker announced that it was acquiring The outlook for dwindling Conner Peripherals, thus creatprofit growth has intensified as ing the largest independent comexpectations for a robust econ- puter disk-drive maker in the world.

> Trading was light as some investors observed the Jewish Yom Kippur holiday.

"Unfortunately," said Jack Baker, managing director and head of institutional trading at sponsorship today."

(Bloomberg, AP, AFF):

# **Japanese Official's Remarks Hit Dollar**

Compiled by Our Staff From Dispatches

NEW YORK - The dollar slipped against the yen and the Deutsche mark Wednesday as investors took profits, and a top Japanese monetary official said central-bank intervention alone would not be enough to support the U.S. currency.

News services reported Wednesday that Eisuke Sakakibara, an official in Japan's Ministry of Finance, said the dollar had been artificially lifted by Bank of Japan buying. He was also reported to have said that central-bank buying alone cannot sustain the dollar for long.

The dollar fell to 101.015 yen from 101.475, and it slipped to 1.4358 DM from 1.4390. Against other currencies, the dollar rose to 4.9700 French francs from 4.9580.

#### Foreign Exchange

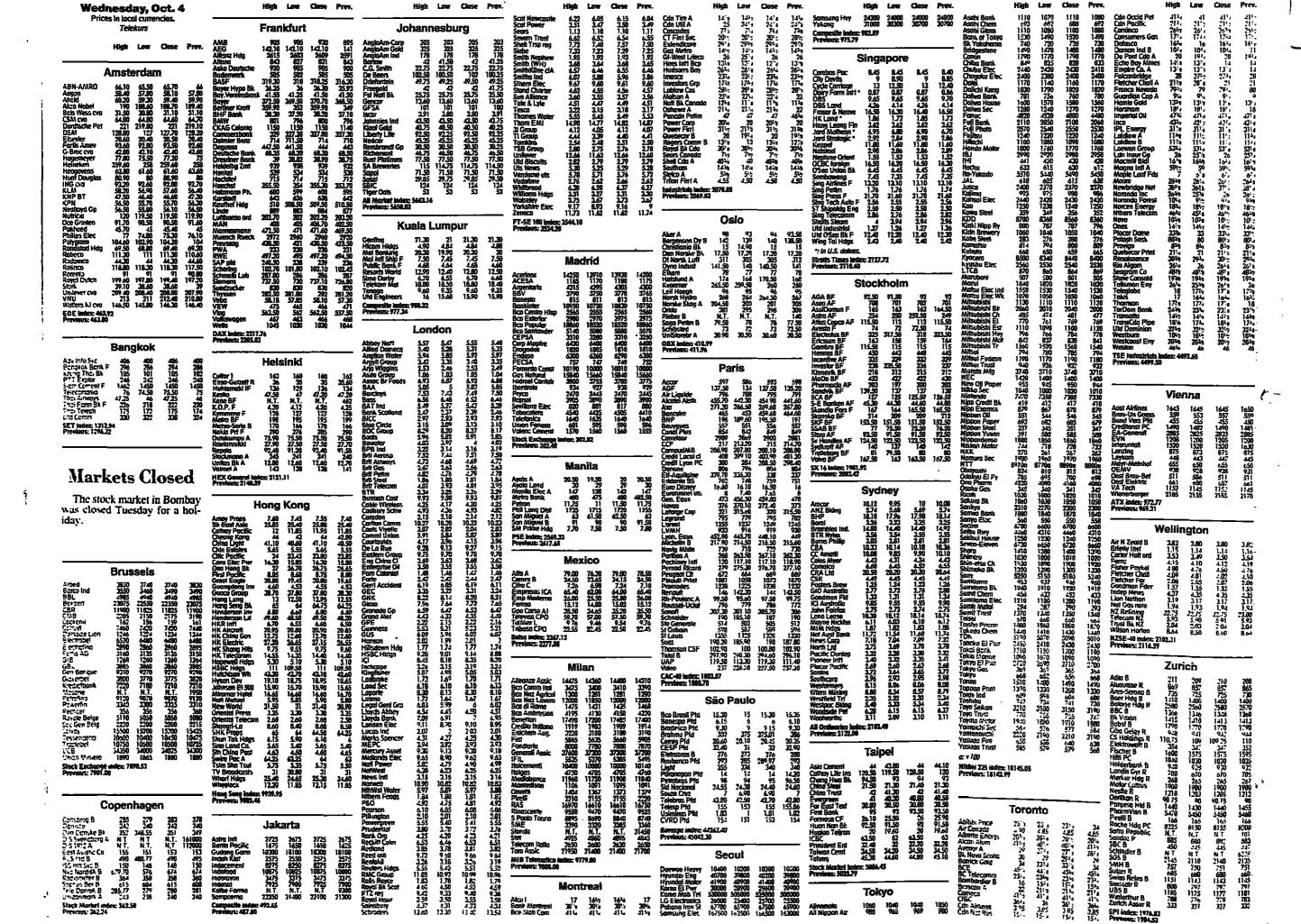
but it slid to 1.1545 Swiss francs from 1.1596. The pound dropped to \$1.5822

Mr. Sakakibara's "honest-but-bleak" comments "really diffused the fears that we would face aggressive intervention" and

that led to profit taking, said Amy Smith, an analyst for the consulting firm IDEA. Traders have pushed the dollar higher in the past few days amid speculation the Group of Seven industrial countries would make a statement in support of the dollar at their meeting this weekend, then intervene in the market.

In their last major meeting, on April 25, G-7 finance ministers and central bank heads called for an "orderly reversal" of the dollar's decline. The dollar has risen 4 percent against the mark and 19 percent against the yen since then. (AP, Bloomberg)

#### WORLD STOCK MARKETS



**EUROPE** 

# Postbank Says **Friendly Partners** To Foil Takeover

BONN — In an attempt to Deutsche Telekom next year. counter a takeover led by its former parent company. Deut-sche Postbank AG said sche Post, together with Deut-Wednesday it had come up with sche Bank AG and a plan to sell 40 percent of its Schweizerische Rueckversicher-Wednesday it had come up with shareholders.

Germany's post and telecominto three companies at the beginning of this year: Deutsche Postbank, Deutsche Post AG, and Deutsche Telekom AG. The three companies are to be priva-

#### **UAP Shares Leap** En Rosy Forecast From Chairman

Compiled by Our Staff From Dispatches PARIS - Shares in Union des Assurances de Paris rose 6 percent Wednesday after Chairman Jacques Friedmann said he expected the company's underlying profit from insurance to increase in 1995.

The shares closed up 7.90 French francs, at 119.30 francs (\$24.07). "Underlying results continue to improve in the third quarter, and excluding any major disaster, there is no reason for that trend not to continue in the second half," Mr. Friedmann said, though he gave no specific forecast.

Mr. Friedman said UAP's banking business had returned to profit in the first half after costing the company more than 10 billion francs in recent years.

He spoke after UAP reported a 6 percent decline in net profit for the first half, to 806 million francs, compared with the first half of 1994. UAP blamed the decline on a drop in capital gains on the sale of financial investments. Analysis had expected a

steeper profit drop.
Mr. Friedman later told analysts that UAP did not set aside inv funds for real estate losses in the first half of 1995 because its existing provisions were sufficient. The company does expect to provide 1.4 billion francs in the second half to finance pensions for its employees.
(Bloomberg, Reuters)

On Monday, Postbank reequity to a core of friendly ungs-Gesellschaft would acquire 75 percent of Postbank for 3 billion Deutsche marks munications monopoly was split (\$2.08 billion). Joachim Strunk, a spokesman for Postbank, said the plan amounted to a "hostile takeover," and that his company was "not at all in agreement

> Postbank said the bid led by Deutsche Post valued it at 4.1 billion DM, while a valuation last year by Salomon Brothers Inc. came up with an estimate of 6 billion DM. Salomon's estimate is unreliable, Deutsche Post says, because the U.S. investment house was retained to prepare Postbank's ultimate le, so had to shed a favorable light on its value

> Postbank'snew plan values 40 percent of the company at 2.4 billion DM, or 6 billion for the entire company.

Mr. Strunk said Wednesday that Postbank had been in talks with partners for several

"The 40 percent would probably be held by four partners." he said, without revealing the names of the companies.

Postbank said it wanted partners experienced in fund management, home loans, and insurance. Such companies would gain presence by selling their products over post office

Postbank, Deutsche Bank would acquire 20 percent of Postbank. Deutsche Bank has said it would sell these shares

when the equity was floated. Schweizerische Rueckversicherungs-Gesellschaft, which is known as Swiss Re, wants to acquire 15 percent, while Deutsche Post wants 40 percent. Mr. Strunk said the defensive

plan would be presented to the supervisory board Saturday. He added that potential partners refused to commit themselves to a deal until they were sure that arrangements by the from Deutsche Post would be extended. (AFP, Bloomberg)

# The Struggle for the Caspian's Oil U.S. Is Trying to Break Russia's Hold on Pipelines

By Steve LeVine
New York Times Service

ALMATY, Kazakhstan — The United States has sought to counter Russian influence in the oil-rich Caspian Sea by fighting two projects that are

being promoted by Moscow.

Much of the American involvement on the Caspian has involved trying to break a Russian stranglehold on energy pipelines from the region to Western markets. tern markets.

In Kazakhstan, the United States has mounted an extraordinary effort against a Rus-sian-backed 940-mile (1,500kilometer) pipeline from a windswept oil field called Tengiz, which holds the largest new supplies of crude intended for the West since development of Prudhoe Bay in Alaska a quarter-century ago. Across the Caspian in Azer-

America has opposed Russian pressure on a group made up mostly of U.S. oil companies that is making a \$7.4 billion investment in two offshore fields.

American officials frame the conflict with Russia in geopolitical and commercial terms, calling the fate of these projects central to pro-Westem development of a region destined to be among the world's leading energy suppli-ers in the next century.

The battle has involved President Bill Clinton and numerous Russian officials, according to U.S. officials and

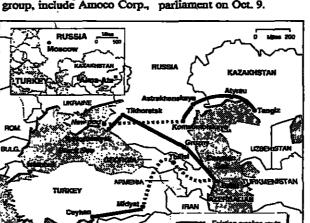
em business leaders. companies participating in er backed the construction of former Soviet Union. Caspian development are two pipelines to the West - Because of its size, diplo-Pranga, executive vice president of Oil Capital Ltd., speaking before oil executives in Al-

pressed a group of 10 oil com- executives.

fluence in Kazakhstan has intervened directly, making a field and its 6 billion barrels riled U.S. officials and West- 25-minute call to the presi- of proven crude reserves. The

dual pipeline idea at a meeting Wednesday in London, ac-In Azerbaijan, Moscow has cording to several oil industry

The call by Mr. Clinton panies developing fields near The call by Mr. Clinton the capital, Baku, to ship all may have been meant to influtheir crude through Russia. ence the Azerbaijan leader-The American companies in-ship, which is to hold a ratifivolved, which hold a total cation vote on the London years. stake of 44 percent in the decision in the Azerbaijan



analysts. Another central figure has been a Dutch oil trader, and Unocal Corp.

On Monday, Mr. Clinton

In Kazakhstan, Chevron
Corp. holds a \$10 billion contract to develop the Tengiz n business leaders. dent of Azerbaijan, Heydar deal, concluded in 1993, is still "Over two-thirds of the Aliyev, in which the U.S. lead- the biggest ever signed in the

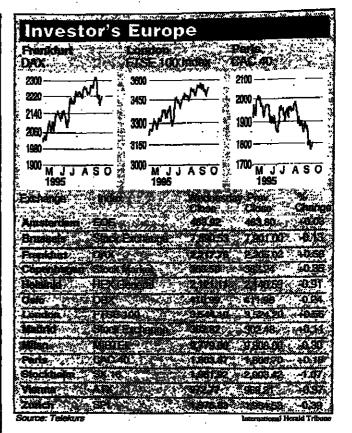
American, and much of the fi- one through Russia and one mats and oil executives view nancing is expected to come through Turkey. the Chevron deal, far more from the U.S.," said Martin Partly as a result of U.S. than the Azerbaijan project, pressure, the oil companies as a test - and if it finally appeared ready to endorse the succeeds, a harbinger of a

But a bitter dispute over the construction of a pipeline from Tengiz to the West has led some oil executives to fear that significant energy development may be delayed for

The conflict revolves around the role of Mr. Denss, 53, the president of the state-owned Oman Oil Co., part of a three-member consortium that would build and manage the pipeline. Kazakhstan and sia are the other members.

Mr. Deuss became known in the 1970s and 1980s after breaking a UN-approved trade embargo by shipping oil to South Africa. Since then he has been involved in large,

Now Chevron, backed by Washington, has frozen Tengiz development and seems determined not to resume until Mr. Deuss is no longer involved. That could be some time away, since he says his group has already speut \$70 million on the project.



#### Very briefly:

• The European Commission agreed on a draft directive that would standardize capital requirements for insurance companies and allow supervisory authorities greater control over the industry to try to liminate double gearing or allowing subsidiaries to count the same capital more than once to meet regulatory requirements.

• Norway pledged to continue a tight fiscal policy after unveiling a draft budget that forecast a surplus of 10.6 billion kroner (\$1.69 billion) for 1996, compared with an estimated deficit of 8.6 billion

• Sibeka, a Belgian investment concern, and the industrial diamond division of De Beers Consolidated Mines Ltd. of South Africa agreed to expand their cooperation in the production and ssing of synthetic diamonds at the beginning of 1996.

Nokia Corp. of Finland and Hewlett Packard Co. of the United States are jointlydeveloping a family of hand-held communica-tions devices to combine a mobile telephone and a palm-size computer. (Reuters, AFP, Bloomberg)

# Weak Demand for Telefónica Won't Resound Through Europe

LONDON - Plans for big share sales by such national telecommunications companies as Deut-sche Telekom AG and Koninklijke PTT Nederland NV will be little affected by the weak foreign institutional demand for Telefônica de España SA's latest offering, analysts said Wednesday.

Some investors might have held off from buying Telefónica, analysts said, precisely because they preferred to include shares from one of the other forthcoming telecom issues in their portfolios. Telefónica reported that the foreign institu-

tional tranche of its share offering was only 1.7 times subscribed, though demand was higher for the retail and domestic institutional tranches. The issue of 12 percent of Telefónica raised

about 165 billion pesetas (\$1.33 billion) for the Spanish government, below initial forecasts of 200 billion pesetas, prompting concerns that the bigger offerings planned by Deutsche Telekom, KPN and Società Finanziana Telefonica of Italy may not go as well as expected.

But analysts in Frankfurt, while unwilling to comment on the record because of links to the Deutsche Telekom partial privatization next year, said Telefónica's situation was very different from that of the German company. "I would have great misgivings about drawing conclusions on the placement of Deutsche Telekom shares based on what has happened with Telefónica," said a telenications analyst at a German bank. Analysts in Frankfurt said that the pricing of

the Deutsche Telekom shares would be crucial and that in the case of Telefonica the price might have been too high. They said many investors might be holding back from increasing their holdings in other telecommunications giants such as Telefónica in favor of Deutsche Telekom. "I can imagine that some large institutional investors would consider Dentsche Telekom as a

good investment," the bank analyst said. Dutch analysts downplayed the possible effects of the Telefonica operation on the upcoming Koninklijke PTT Nederland offering. Not only have institutional investors shown substantial interest in the run-up, analysts noted, but the government's policy of preferential treatment for Italia SpA free rein, while Omnitel-Pronto Italia private investors provides firm underpinning for was forced to pay an initial license fee.

INTERNATIONAL FUTURES

the overall placement. "The indications so far are that there's ample demand for KPN shares," said Bart van der Veen of IRIS, "from retail investors as well as from the institutional side."

■ Rome Seen Aiding Firm After EU Order Italy is likely to come up with a compensation package for its No. 2 mobile phone operator after the European Commission on Wednesday gave Rome three months to create a level playing field for rival operators, Reuters reported from Milan. The executive body of the European Union has ordered the government to abolish distortions in

its cellular phone market that allowed Telecom

**AMEX** Wednesday's 4 p.m. Close The lop 300 most-active shares, up to the closing on Wall Street. 1174 - 1174 - 1175 - 128 PARKETEN STATES TO SERVICE STA 1960 - 19 Lights of the control of the control

### U.S. STOCK MARKET DIARY

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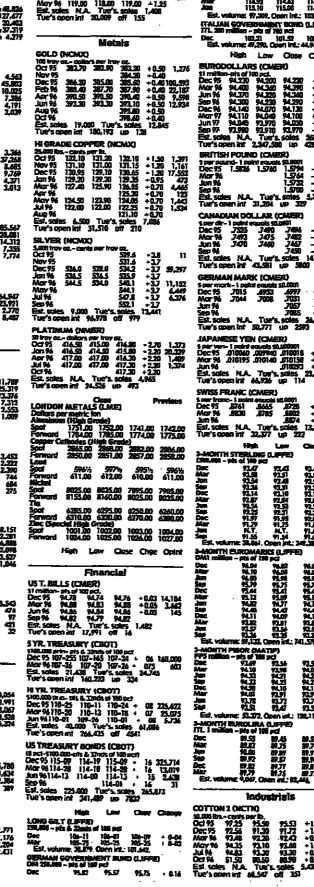
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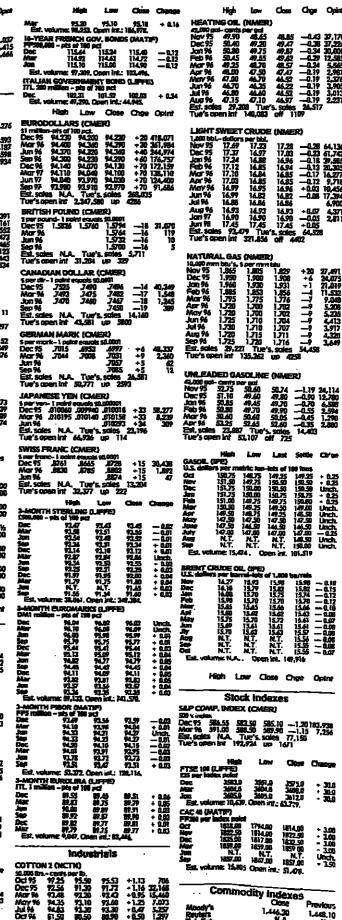
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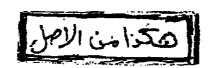
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# China Sets Course To Be World's **Biggest Economy**

Compiled by Our Staff From Dispatches leader, Deng Xiaoping. BELIING — In its Ninth Five-

that circulated Wednesday.

The primary aims of the plan - one of China's last socialist tools, along with a strategy for the period to 2010 passed by the Communist Party Central Com- off to raise efficiency. mittee last week — are industrialization and creation of an economy that would rank third in the world after the United States and Japan in about 15 years. By 2030, it could be the world's largest economy, the draft said.

The plan for the period 1996-2000 sets a growth target of 9.3 percent a year in gross domestic product, easing to 8 percent in the following decade, according to the draft, which was approved by Communist Party of the 21st century. leaders at a summer policy meeting and presented to its deciding factor in setting the central committee last week.

The draft of the plan sees China evolving into a major to the leadership's overriding force among Asian economies, concern that joblessness would attracting Western and Asian capital, and establishing its own multinational companies. Following normalization of ties with Russia and peace along its sure an economic growth rate borders, China faces the best that will create a certain number conditions in a century for eco- of jobs," he said. nomic development, it says.

petroleum and grain are becom- would create 65 million jobs. ing daily more pronounced." nomic growth and industry will continue to disrupt international balances.

Meanwhile, debts of stateowned enterprise are huge, and old industrial bases are retreating as urban unemployment rises. China's leaders, while keep-; ing the details under wraps, have plies, perhaps accompanied in ssured the country's 1.2 billion people there will be no straying two-year-old credit squeeze, from the market reforms es-

poused in 1979 by the senior

A summary of the plan pub-Year Plan, China sketches a path lished by the Xinhua news toward its goal of becoming the agency Wednesday said the world's largest economy in the next century, according to details of the unreleased document aimed to make most of its 11,000 large state enterprises responsible for their own profits and losses by the end of the century.

The summary called for failing enterprises to be declared bankrupt and workers to be laid

But it also called for continned government support for healthy state enterprises and for the state sector to be the "mainstay of market competition."

Glimpses of the unreleased final draft, meanwhile, reveal an uneasy alliance of cautious policies to guarantee full employment even at the expense of profitable industry, coupled with an ambitious drive to overtake the developed world in per-capita output by the middle

Fear of unemployment was a high economic growth rate, one planning official said, referring prompt social instability and threaten their grip on power.

"The only way to keep unrest from boiling over is to en-

Economists estimated But this bright vision of the growth rate of 9 percent could future is not without shadows. create 58 million jobs in the next "Shortages in output of five years, while 10 percent

Officials calculate China the draft says. "The enormous must find work for 10 million import demand of rapid eco- new workers each year from 1996-2000, in addition to those laid off by companies trying to improve their efficiency

To tackle inflation, a second potential cause of social unrest. the plan envisions loosening some price controls on state farms to ensure adequate supearly 1996 by an easing of a the planning official said.

# Erosion of the Very Foundation Real Estate Crash Threatens Japan's Economy

By Sheryl WuDunn New York Times Service

KITAMOTO, Japan - In a land where house rents can reach \$25,000 a month, perhaps the biggest surprise is not how expensive real estate is, but how far prices

Real estate values in general have plummeted in Japan by two-thirds to three-fourths from their peak five years ago, making sorry tales of the property slump in Europe and most of America seem almost sweet by comparison. The collapse here is threatening the financial system of the world's second-biggest economy after the United States.

Fortunes are being lost, companies are going bankrupt, homeowners are suffering from diminishing wealth, and the nation's banks, saddled with at least \$500 billion in ailing real estate loans, are reluctant to lend a helping hand. Yet Tokyo's is still one of the world's most

expensive property markets. The story of Japan's boom-to-bust real estate market is particularly sobering for Japan's nervous Asian neighbors, such as Hong Kong, India, Singapore, China, Taiwan and South Korea, where growth has sent property prices spinning out of control. A Japanese government study shows that the world's seven most expensive cities for commercial land values are in

Some analysts fear that Japan's real estate woes could decimate the nation's banking industry. Just this week, Japanese officials said seven giant housing-loan concerns, together saddled with \$63 billion in losses, would be closed.

affordable for Japanese consumers, and it pulling out of Rockefeller Center. has created a golden opportunity for American businesses.

With prices falling, it is much easier for U.S. companies, from retailers to automakers, to expand their presences here than in previous years.

But for the economy as a whole, the real estate crash has been a disaster. In one of its most striking manifestations. ghost towns are emerging in commercial and residential districts.

Even in Tokyo, a city where crowds swell so thickly that nish-hour pedestrian traffic moves like molasses and professional shovers pack commuters onto trains, empty office buildings and darkened windows are becoming a common sight.

While would-be homeowners salivate at falling housing costs, they are jittery at paying prices that remain exorbitant by the standards of most countries, and that still have plenty of room to tumble.

Yoshikazu Itobashi, a computer engineer, knows plenty about ghost towns. Not only does he live in one, he works in

Ten months after Mr. Itobashi paid \$330,000 for an apartment in an isolated new housing development in the Tokyo suburb of Kitamoto, the tower is only 20 percent occupied, and his children do not have to fight for the playground swings,

because they have not materialized. look like a money machine. The development, called Tennozu Isle, is led by

The real estate deflation is good news Mitsubishi Corp., the umbrella company to some people. It has made housing more for Mitsubishi Estate Co., which is

A few years ago, Tennozu Isle was billed as Japan's biggest commercial community, with parks, shopping malls and office towers near a waterfront.

Now, elevators glide past empty floors in some of the 11 office buildings, stores are going out of business and the complex has the feel of an isolated outpost, its workday population linked to the city only by a single, congested monorail.
"I usually can't get a seat on the train from Kitamoto," Mr. Itobashi said. "If

the apartment wasn't so nice, I would be in real trouble."

A brief economic rebound last year led by housing activity buoyed hopes briefly before fizzling out, and the continuing fall in property prices has fueled a startling round of deflation for a wide

range of goods and services.
While lower prices might cheer consumers, they hurt producers, and some financial specialists worry that a deflationary spiral could lead to a shrinking

Without a recovery in the real estate market, which helped power Japan's phenomenal growth in the 1980s, the economy will probably not rebound strongly. analysts said. Although the economy grew modestly in the second quarter, analysts doubted the rate could be sustained.

There is no simple answer to all this, Mr. Itobashi's new offices, nearly two and people are looking for simple anhours by train from his home, make New swers," said David Atkinson, a financial York City's troubled Rockefeller Center analyst who once followed the real estate industry at Goldman Sachs (Japan) Ltd. "Much of the problems are structural."

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#### Very briefly:

 Nippon Telegraph & Telephone Corp., Cable & Wireless PLC, Hong Kong Telecommunications Ltd. and Itochu Corp. are in talks on a joint venture for the personal handy phone system business, a Japanese-developed mobile-phone technology.

 Texas Instruments-Acer will break ground Thursday on a \$1.35 billion computer memory-chip plant in Hsinchu, Taiwan, designed to meet a surge in worldwide demand.

 Citibank has chosen Taiwan as the North Asia headquarters of its consumer-financing business.

 China has begun feasibility studies for a 60 billion yuan (\$7.2) billion) project to build tunnels and bridges across the northern

Mitsubishi Chemical Corp., Japan's largest chemical company, expects to revise upward its interim pretax profit forecast of 1 billion yen (\$10 million) for the six months to September.

• Vinastar Motors Corp., Vietnamese affiliate of Mitsubishi Motors Corp., will start producing small cars as early as next

• Reebok International Ltd. plans to market about 65 models of

sports shoes in India as well as sports apparel and accessories. • Ford Motor Co. will begin work on a joint-venture plant in northern Vietnam within three months.

 Tsuburaya Co., a Japanese television production company, plans a theme park based on its "Ultraman" series in Shanghai.

 Chinatrust Commercial Bank, Taiwan's largest private bank. has gained approval from the central bank of India to set up a branch in New Delhi.

# **Manila Stocks Slide on Inflation Surge**

MANILA - Philippine consumer

prices rose in September at their fastest rate in nearly four years, the government said Wednesday, renewing criticism that the central bank had allowed the money supply to grow too rapidly.

"The verdict is in: Guilty as charged," said Joey Salceda, head of research at SBC Warburg in Manila.

The National Statistics Office said the annual inflation rate reached 11.8 percent in September, up from 8.4 percent in August, as a rice shortage led to soaring prices and natural disasters cut off supplies to (Reuters, Bloomberg) some provinces.

"It was very unnerving. It really spooked the stock market," said Louie Bate, sales manager at Baring Securities Philippines Inc. "It was far higher than the most pessimistic forecasts."

The inflation figure drove the stock market's main index down 1.85 percent, to a five-month low of 2,569.33 points.

The statistics office said prices of rice, a staple food that accounts for 13 percent of the consumer price index, rose as much as 32 percent last month in some provinces. In metropolitan Manila, rice prices were up 9.6 percent from August.

Gabriel Singson, governor of the Central Bank of the Philippines, said the price surge September.

was only "a temporary phenomenon." A drought earlier in the year caused rice yields to drop, and typhoons as well as distribution problems hampered delivery of imported rice. The rice shortage caused consumers to switch to corn, sending com prices up 4.2 percent from the month before.

Mr. Salceda said a revised economic program, approved by the International Monetary Fund, that allowed the money supply to grow as much as 31 percent this year was the real culprit. The central bank disputed that, saying

that excluding the surge in rice prices, the inflation rate was just 6.4 percent in

import American and Argen- beer garden, put it: "I don't of the refrigerators. "But maybe and spirits market and has oth-

#### Continued from Page 19

hanyele said, shaking his head in amazement at the term, a South African racial slur. Mr. Mahanyele is a gregarious raconteur with a large office atop a hill in the affluent suburb of Sandton. His detractors, eyeing his fleet of cars and his management style, call him a megalomaniac; even his bankers acknowledge that he rarely takes

But he is a natural politician, charming and self-deprecating. No one had much confidence in him, he said. "Even the black writers said, 'Get a white man to hold your hand," he re-

At first, National Sorghum did well. With the exclusive license to brew sorghum, operating profit went from \$5 million in 1991 to \$10 million in 1993.

Then a series of disasters began. There was the purchase of Jabula Foods, which packaged meals for prisoners and miners. It seemed a natural fit - "jabula" means both "happiness" and "beer" in Zulu.

But as soon as word of the deal got out, Mr. Mahanyele It may be quintessentially Afri-said, Afrikaner penal officials can, but blacks, who consume canceled the prison contract, 85 percent of South Africa's wiping out more than half of Jabula's income.

Soon after, a \$6 million investment in bonds issued by an insurance company lost a quick beer.

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of the home-grown crop.

Next, the violence in black 1994 elections cut deeply into sales. Some beer halls were burned, and drivers were frightened out of making deliveries.

Articles were published saying Jabula had been looted by employees. Mr. Mahanyele was criticized for hiring relatives and taking a \$200,000 bonus. His defenders say that such a sential. bonus is paltry by Western standards and that hiring relatives makes sense when you need people you can trust.

The criticism, however, hurt National Sorghum's image. Through it all, the company paid out 20 percent annual dividends, which Mr. Mahanyele defended by saying shareholders demanded it.

He also began a startling, and sky, expansion effort. Mr. Mahanyele decided to start brewing lager — the hops-based beer favored by Americans and Europeans.

beer, consider it the drink of the unemployed and the peasantry.

Its nickname is "bush beer," while lager is "white man's

\$3 million; then a drought As Phineas Nkosana, 29, a "Legally, they have to keep struck, forcing the company to patron in a run-down Soweto my stock in it," Mr. Kgame said

drink Amstel."

townships that preceded the not about to become a big export product. It is nutritious, but it is also thick, milky and pinkish, tasting like a yogurtwheatgrass drink with a kick.

Its economics are also more like that of milk than of beer. The cartons are 44 percent of the cost, and its short shelf life means regular deliveries are es-

National Sorghum called its lager Vivo. With a big, sharp taste, it had the potential to become a high-priced niche beer in Western markets. But it has not worked out

that way. Without a clear marketing plan, and with interest rates at 18.5 percent, the company borrowed \$45 million nearly its whole net worth — to build a brewery.

The move also put it in direct competition with South African Breweries Ltd., which had \$7 billion in sales last year and 99 percent of the beer market.

The reasoning was that sor-ghum is not a growing market. Pinky Kgame, Vivo's region-al sales manager, finds the competition overwhelming. SAB offers retailers deals that he cannot possibly match, like volume discounts and trips to Europe. It rains handouts, from ashtrays to marquees, on pub owners, and sells them refrigerators wholesale.

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— he makes a gesture of a bill

Moreover, sorghum beer is being passed — "and he takes cent of National Sorghum for the stuff ont after I leave and tells his customers, 'Oh, yes, I have Vivo, but unfortunately, it's warm right now.' "

Graham Mackay, chief operating executive of South African Breweries, responding to charges of monopolistic practices, said his company "didn't lift a finger" to hurt National Sorghum's business.

"We didn't have to," he said dismissively. "They shot them-selves in the foot. You can't sell anything to consumers anywhere in Africa just by saying it's made by a black company. African consumers don't like to be talked down to. They won't buy something because it's politically correct.

Vivo executives are forced to Africans who can afford lager want to drink the white man's beer," said Moses Tau, a Vivo sales executive. "Whites try us out of curiosity."

The new brewery, which could fill 15,000 bottles an hour, was idled all but two days a week, and cash-flow problems

Mr. Mahanyele began to look for a rescuer, and eventually a \$35 million deal was reached with United Breweries Group of Bangalore, India, which has 40 percent of the Indian beer

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In August it bought 30 perabout \$1 a share - nearly four times what the original investors had paid. It has the right to buy as much as 50 percent.

executive chairman for 18 months, then give way to United's chairman, Vijay Mallya. "We'll do what we do best: brewing the beer and selling it,' Mr. Mahnyele said, "and they

Mr. Mahanyele will remain

will do the finance. United has already saved National Sorghum \$17 million a year by renegotiating its interest payments and the price it pays for cartons, according to Andrew Capitman of Fieldstone Private Capital, an American adviser who helped Na-

Mr. Mallya has said he will agree. "I'm sorry to say it, but continue making Vivo and will harricans who can afford lager brew Kingfisher, the leading Indian brand, as well.

tional Sorghum find its Indian

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# SORGHUM: South African Brewer's Troubles Are a Setback for Black Business Aspirations China Investigates Plywood Trading

Securities Regulatory Commission sent officials to Sbanghai to investigate two securities companies in connection with irregularities in plywood futures trading, an source said Wednesday.

The source said Southern Securities Co. and Jun An Securiabout the large amount of monev they had invested in plywood futures, some of which allegedly had been borrowed illegally.

An official of Southern Securities said he knew of the investigation but did not have any details to disclose.

An official of the futures department of the commission in Beijing refused to confirm the investigation, but said, "As far as I can say, inspection by the CSRC of exchanges is routine

and normal." [Chinese exchange officials Wednesday played down a weeklong suspension of ply-wood futures trading, saying stiff new margin rules would force speculators to limit their bets, Bloomberg Business News

Agence France-Presse [Trading in plywood futures close their positions at the end SHANGHAI — The China is to resume Monday, 10 days of each day. after speculators pushed the price of the November plywood futures contract 10 percent above the spot price on more than 1.4 million lots of ply-wood. Each lot represents 200

plywood sheets. [The new regulations require ties Co. had been questioned traders to post a 30 percent margin on positions larger than 20,000 lots of plywood, compared with the previous margin requirement of 5 percent. Trad-

ers will also be required to dis-

[Some analysts praised the

move as a sign exchange officials were serious about preventing a repetition of February's bond futures scandal, which cost the job of the president of the Shanghai Securities Exchange, Wei Wenyuan.

["The exchange is doing the right thing by raising margins so it costs more to keep positions open," said William Grossman. director of Cargill Investor Services in Hong Kong.]



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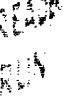
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# Celebrity Justice in Black America: O.J. Walks Because He Can Run

By Michael Wilbon Washington Post Service

WASHINGTON — At a church in black Los Angeles, the pronouncement "not guilty" campus of Howard University, students erupted into prolonged cheers. On North Capitol Street, just north of Union Sta-

tion, young black men who'd never met Vantage leaned out of cars and Point

passionately high-fived each other because the Juice was loose. All over urban America you could find these scenes Tuesday. It was as if acquitting O.J. Simpson made up for Rodney King and Emmitt Till. For all the black fathers and uncles and grandfathers who'd been jailed unjustly, for every brother who has been

You know what? It doesn't make up for it. I'm a lot less concerned with O.J. Simpson's guilt or innocence than I am with this unqualified embrace because he played football, because he turned that of a man simply because he is a celebrity. All of inro a movie career and he's rich. Period. This America has become mesmerized by celebrity in the doesn't symbolize anything or portend great

urban courtrooms in America? Black juries, or predominantly black juries, convict black people of elicited a joyous celebration. In a classroom on the crimes with no more drama than necessary. Ordinary, everyday people. But not the chosen ones. You know who the chosen ones are in black America? People who dunk, tackle or sing. Can't touch them. A black delivery man on trial facing the same evidence Simpson faced is a black delivery man headed to prison for life. Don't be like the kid Lenell Geter in Dallas, an engineer who was thrown in jail for life for robbing a convenience store even though his white co-workers testified (truthfully) he was with them at the time of the robbery. If it weren't for "60 Minutes." Geter would be rotting in a cell right now. I don't remember the outcry on North Capitol been jailed unjustly, for every brother who has been framed or railroaded, beaten into a confession or after a wrongful imprisonment. Geter couldn't dunk placed at the scene of a crime when he was a million on anybody or run the power sweep, so how much miles away.

body's suckered inescapably into it like black peo-ple, my people, the people who can least afford it. You know what happens every single day in without a doubt, you're thinking of it when you critizens. Simpson is black, but it doesn't mean he spent any time being black in the larger and more any consequence whatsoever. Personally, I think a counsel. white or black. And what's being overuntil they're tied to the tracks with the train coming. Then, all of a sudden, they're black.

I worry that we, black people, are so desperate for heroes we'll take the worst candidates on the face of the earth because they ran sweet or had a nice crossover dribble. In the past year we've fawned over a drug user (Marion Barry), a convicted rapist (Mike Tyson) and a wife-beater (Simpson), as if those three somehow reflect the best of what we have to offer society at large or our own communities. We didn't ask for apologies or assurances it won't happen again, much less demand accountability. As the columnist Vernon Jarrett said recently on the topic of a celebration for Tyson: "I agree you let the sinner back in the church, but you

don't make him a bishop."

I'm not naive about one of the primary emotions involved here: vengeance.

A lot of black people could care less about Simpson and see him truly for what he is. They simply see this as payback, even if the score is still about 1 million to one. They feel the chickens might past 20 years. But nobody buys into celebrity, no- changes in the judicial system to somehow ensure a have come home to roost Tuesday for all of our laughed when I asked her about playing the race card. rection.

important cultural sense. It's funny how we don't better measure of justice is seeing the man who looked is it's as much about class as it is race. There see or hear from these people in any social context murdered Medgar Evers convicted some 30 years are cases with a black defendant where you don't after the act. But, overwhelmingly, this is an emo- want a black professional. In that case you might tional, not an intellectual, response.

ly, I don't blame Johnnie Cochran for using the so-certainly not unique to this case. But the emotional called "race card." He didn't put it in the deck. Black people didn't create the environment in this country that allows the race card to trump all else. In fact, part of me gets a bit excited about seeing a black planted evidence or was guilty of police brutality. man play it so skillfully. It's funny to hear the outcry over the defense team playing the race card when white politicians use it every election year (including the upcoming one), when white prosecutors have used it like a hammer to sway all-white juries against black defendants since America was first see a vidence, I see a plant. I see a racist cop, you see settled. In fact, the best thing about this trial from my point of view is that black viewers — and we sure as hell watch TV — have seen through Cochran and Christopher Darden that black people can skillfully the two separates realities will continue to exist.

compete at something besides sports.

I called my cousin Joan Wilbon, a Washington lawyer who has 15 years of trial experience, and she

prefer a poor white juror. You're picking a juror you While we need to be more practical and more hope will be sympathetic, and you play to it. It's a bet sophisticated about whom we embrace blind-that race, above all else, will defeat the system. It's hope will be sympathetic, and you play to it. It's a bet response I hear is more about vengeance. It's, 'We finally got you.' It's an emotional response to Mark Fuhrman, who stood for every white cop who ever

The bigger issue here, of course, is race. It's always race. What we've seen on television and heard on radio before and after the verdict only confirms that blacks and whites have a completely different reality when it comes to some things. You And in one of those worlds, a blind and undying love for anyone famous will continue to drain us of energy that ought to be channeled in another di-

# Cowboys' Jones Vows to Launch Countersuit Against NFL

chat with Commissioner Paul Tagliabue and five National Football League owners about the \$300 million suit filed by NFL Properties against Jones. NFL

tors with companies that have paid to be official licensees of the NFL. There was

"Countersuits are imminent," Prior to visiting Washington over the weekend for a get-together with the Saudi Arabin ambassador, Prince Bandar ibn Sultan, and that little matter of a with the talks is to see if there is some common ground that might keep this thing from not only escalating, which all litigation usually does. But it also deals, Jones's announcement of the might be a way to limit the negative Nike deal on "Monday Night Foot-

league or the Cowboys, I'd like for them not to be thinking of litigation," he added. "But with the Al Davis Jones said. "That is part of the pro-cess. If it's wrongful, you basically do John Madden are right when they say

that the announcement might have di-verted attention from the former New pro-rated over the length of the con-

Many around the league expect the Cowboys will never pay out most of there is no cap in 1999, so if the the \$35 million contract signed by Cowboys cut him after '98, the acceleration would not be a problem— Aside from the substance of his side form. Sanders gets a \$13 million signing bonus, but salaries for this season, ike deal on "Monday Night Foot-"96 and '97 are at the league minimum public bloodletting and airing of sen- ball' with a press release that said he (now \$178,000). The '98 salary is \$5.2

league, and the objection concerns

This potentially has more interest than Jones's side deals with Pepsi, Nike and American Express, which are competitors with companies that have paid to be

This potentially has more interest than the labor agreement or anything because it transcends the sports page."

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When everybody thinks of the nouncements. Jones said he regretted guaranteed. Under NFL salary cap actract. If a player is cut before the completion of the deal, the remaining pro-rated portions accelerate to the year the player leaves the team. But there is no cap in 1999, so if the

assuming the rules don't change. The league likely will allow the deal and Jones expects Sanders to be a Cowboy through the fourth year of the

the five-time Tour de

France champion, won his first world title on Wednes-

day when he swept to vic-

tory in the road time trial at

He completed the 43kilometer (26-mile) course from Paipa to Tunja

through the Andes in 55 minutes 30.4 seconds. His

nearest rival, his compa-

triot Abraham Olano, who

finished in 56:19.1. Ger-

many's Uwe Peschel was

The closest Indurain had

previously come to a world

title was in 1993, when he

was second in the road race. The world time trial

was introduced last year,

when it was won by Chris

Boardman, who did not race Wednesday because

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#### **SIDELINES**

#### Injury Again Sidelines Gascoigne

GLASGOW (AP) — The often-injured midfielder Paul Gascoigne will miss England's exhibition soccer match next week with Norway because of injury and is doubtful for Glasgow Rangers' next European Champions' Cup match against Ju-

Gascoigne limped off the field after 58 minutes with a thigh injury in Tuesday's Scottish Premier League 2-1 victory over Motherwell. The Rangers' manager, Walter Smith, said he expected Gascoigne to "be out for at least two weeks," missing next Wednesday's match in Norway and putting his presence in doubt

for the Oct. 18 Champions' Cup game.

Gascoigne, a flashy and controversial player, came to Rangers this season in a £4.3 million transfer (\$6.8 million) from the Italian club Lazio, where he spent three injury-riddled seasons. He broke his leg in April 1994 and was out of action for a year.

### NHL Devils Trade MVP Lemieux

UNIONDALE, New York (AP) - Claude Lemieux, the Stattley Cup MVP for New Jersey last season, was traded twice Tuesday, ending up in Colorado in a three-way deal featuring disenchanted stars who are among the National Hockey League's

The Devils sent Lemieux to the New York Islanders for right wing Steve Thomas. The Islanders then traded Lemieux to the Avaianche for left wing Wendel Clark.

Lemieux scored 13 postseason goals in leading the Devils to their first NHL championship. But the 30-year-old right wing angered New Jersey general manager Lou Lamoriello by chalk-lenging a contract he signed in the offseason, then failing to report to camp because of the dispute.

### **Graf Set for WTA Championships**

NEW YORK (AP) - Steffi Graf, Conchita Martínez and Arantxa Sánchez Vicario have qualified for the WTA Cham-pionships, to be played Nov. 13-19 at Madison Square Garden. Previously, Monica Seles was given a special wild-card invitation to play in the 16-player, year-ending tournament. It can be used if she doesn't play her way into the field.

Graf, who won the U.S. Open, Wimbledon and French Open

this year, is a three-time winner of the tournament, winning in 1987, 1989 and 1993.

A fourth title would tie her with Chris Evert in second place for most singles titles in the tournament history. Martina Navratilova has won eight singles crowns.

### For the Record

million over three years.

Ed O'Bannon, the first-round National Basketball Association draft pick who led UCLA to the 1995 National Collegiate Athletic Association basketball championship, signed Tuesday with the New Jersey Nets. The 6-foot-8-inch (2-meter) forward, drafted ninth overall, will receive between \$3.25 million and \$3.90

By Dave Sell

WASHINGTON — You've probably gone at least a couple of hours without hearing from or reading about the Dallas Cowboys owner, Jerry Jones, so here's an update.

Properties is the marketing arm of the sitive issues for the country to see. was "bucking" the NFL further in-million, followed by salaries of \$6.25

SCOREBOARD

Central League
Wf L T Pct 68
80 47 0 .630 —
72 54 1 .571 7%
72 56 1 .562 8%
63 62 0 .504 16
47 79 0 .373 32%
45 81 0 .357 34%

BASEBALL

no resolution at that meeting.

York Giants quarterback Phil Simms's retirement ceremony, but he made no other apologies.

Indurain Wins World Title in Time Trial TUNJA, Colombia --Miguel Indurain of Spain,

movement with date and center seconds hand. Water-resistant. Also available in ISK gold and stainless steel. Ref. 3-100.

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# HOCKEY NHL Preseason

WORLD CYCLING CHAMPIONSHIPS

#### CYCLING

ling results of the rood roce time-trial i Tanja, Colendria on Wednesday: 1. Miguel Industria. Spoin, 55 minutes, 30.4 seconds: 2, Abroham Olono, Spoin, 56:19.1; 3. Uwe Peschel, Ger-

# **TRANSITIONS** felder: Russ Marmon and Tommy dess and Richle Lewis, pitcher,

BASKETBALL

Justicula, Poland, 59:12.7; 8, Mike Engleman, U.S., 59:21.0; 9, Maurizio Fondreist, litaly, 59:26.2; 10, Jan Karlsson, Sweden, 59:34.2.

INTERNATIONAL FRIENDLY Wednesday, la Kekshiki

SOCCER

HOUSTON-Re-signed Chucky Brown, for-HOUS ION—Ne-segment contact word, and Chortes Jones, center.
INDIANA—Signed Eddle Johnson, forward, and Ricky Pierce, guard. Re-signed Hoywoode Workman, guard. Announced Domon Boiley, guard, has accepted a qualifying after. Re-nounced rights to Vern Pierraing and Lester Contacts.

# and Ben Manigonery, line judge, one game check for violating afficiating crew procedures during Sept. 24 Minnesota at Pittsburgh game. INDIANAPOLIS—Signed Cary Biomethore PHILADELPHIA—Wolved Theo Adams. of herster a normal to the control of t HOCKEY HOUNEY Matteel Hockey League BUFFALO—Assigned Dane Jackson and Dank Ward, right wings, and Mille Wilson. defensemen. to Rochester, AHL. Assigned Bryan Fagarly, defensemen, to Minnesolo, IHL. NEW JERSEY—Signed Sieve Thomas, right wine in militheer contract.

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ME NERVOUS



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BE MORE

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BEETLE

N.Y. ISLANDERS—Traces steve I transacting the Wing, to New Jersey for Claude Lenieux right wing. Traced Lemieux to Colorade Avolanche for Wanded Clark, left wing, Assigner Bab Beers, defensemen, and Danton Cole, right

words, and Kal Liena and Patrick

ssigned Chod Penney, J mitro and Claude Savoie,



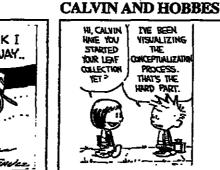


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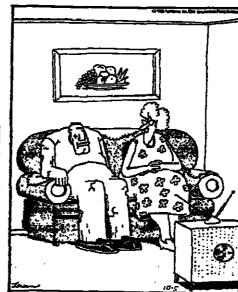


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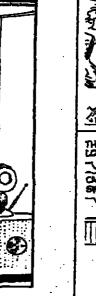


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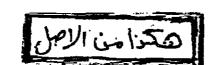
THE FAR SIDE



"You're a hard man, Bud."



YOU KNOW WHAT YOUR I THAT HEANS YOU CAN'T LOSE YOUR TEMPER YOU -, HAVE TO BE CALM AND FOU REALLY



# Indians, Yankees, Braves and Reds Open With Playoff Triumphs

### Rookie's 2d Homer Boosts Atlanta

The Associated Press

Can Ru

The Colorado Rockies, in the first postseason game of their three-year existence, fared well against Greg Maddux, then broke a basic rule: Don't run out of players. Chipper Jones beat the Rockies with his bat and glove, hit der Wal, who set a major-league

#### NL PLAYOFFS

ting a pair of solo homers including the tiebreaker in the ninth — and making a key de-fensive stop to lead the Atlanta Braves to a 5-4 victory Tuesday night in Denver.

Game 2 is scheduled for Wednesday night, with Tom Glavine going against Lance

Painter got a premature taste of playoff action Tuesday night when he made a pinch-hitting appearance after the Rockies ran out of position players. With of Andres Galarraga's shot the bases loaded and two outs in down the third-base line and the ninth, Painter struck out against the Braves' hard-throwing closer, Mark Wohlers.

The Rockies' manager, Don Baylor, in his third year as manager, said it was the first time he joyfully around the bases. was forced to resort to using a pitcher in such a situation.

"Painter is a fairly decent hit-Baylor said, "But I know when I pinch-hit for my catcher, I'm asking for trouble later. That wasn't the ball game, though. Having chances in the seventh. eighth and ninth and not doing it that was the game.

Atlanta's manager, Bobby Cox, said he has been in similar situations himself.

'It happens," he said. "You try to do everything you can to win, and that's what Don did. If you run out of players, you run

NL Series, Game 1

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Los Angeles 600 611 600—2 8 0
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(1), HR—Piczzo (1) off Schourels Scriliogo (1) off
RMoriinez, RBIs—Morris 2 (2), Santiogo 3 (3),
Bronson 2 (2), Buffer (1), Pipzzo (1), 58—Larkin 2
(2), S—Schourels, SF—Sontiogo, GIDP—Dun-con, Formille, Rumers Left in scuring posi-tion—Cincinnoti 5 (Wolton, Larkin, Gent, Son-tion), Boone): Los Angeles 3 (Porville, Mondes),

flogo, Boone): Los Angeles 3 (Ponville, Monard, Karvos.
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Los Angeles IP H R ERBBSO NP ERA

if you have a chance to win." Baylor got into trouble in the

seventh, using a pinch-runner and two pinch-hitters in an effort to create a big inning. Instead, with the bases loaded and one out, Maddux got John Vanrecord this season with 28 pinch hits, to hit a double-play grounder back to the mound.

Maddux, 19-2 with a 1.63 ERA this season, wasn't at his best. The three-time Cy Young award winner allowed nine hits

and three runs in seven innings. But he was artful in escaping predicaments, thanks to 14 groundouts, including four double plays.

Jones' second solo homer—a two-out shot off Curtis Leskanic won it for Atlanta. In the eighth, with runners on first and third, Jones made a diving stop threw out a runner at second. Instead of a big inning, the

Rockies managed only one run. Jones hit an inside fastball for the decisive homer, then hopped

"I was looking for a certain pitch and got that exact pitch," he said. "It was a tremendous thrill. In a big situation, with the game on the line in the ninth, it was probably my biggest career

The Braves had to sweat out the victory when the Rockies loaded the bases with one out in the bottom of the ninth.

Wohlers retired the first batter, then gave up singles to Mike Kingery and Dante Bichette. Larry Walker walked to fill the bases, then fanned

" I've rum out," he said. lor, who had played all five of

NL Series, Game 2

'It's better to throw it out there his substitutes, was forced to pinch-hit Painter, and he struck

Jones also homered in the sixth, starting a rally that produced a 3-3 tie.

Dwight Smith's two-out, pinch-hit single in the eighth gave the Braves a 4-3 lead, but Colorado countered on Ellis Burks's RBI double in their

Reds 7, Dodgers 2: In Los Angeles, Cincinnati scored four runs in the first and got a strong outing from Pete Schourek to beat Los Angeles.

At the one playoff site that was not sold out, 10,000 empty seats were witness to a two-run double by Hal Morris and a two-run homer by Benito Santiago with two outs in the first inning, giving the Reds all the

Schourek, an 18-game winner appearing in his first career postseason game, limited the Dodgers to five hits and two runs in seven innings.

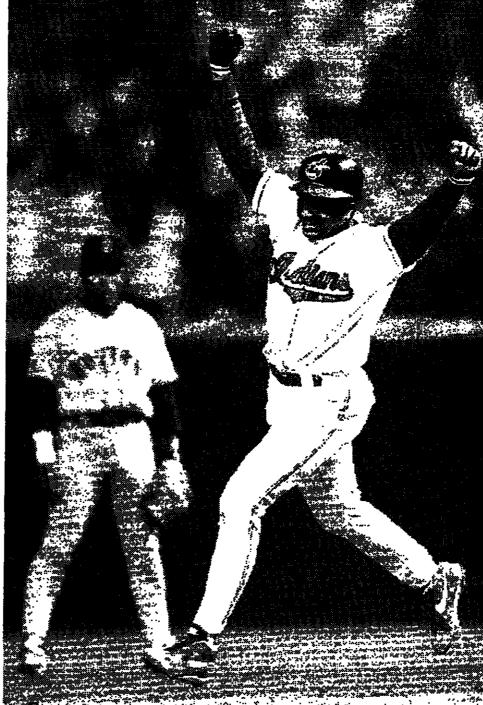
The Reds will use another left-hander, John Smiley (12-5, 3.46 ERA), against right-hander Ismael Valdes (13-11, 3.05 ERA) Wednesday night in Game 2 at Dodger Stadium.

The series moves to Riverfront Stadium for Game 3 on Friday night and Games 4 and 5, if necessary, on Saturday and

The Reds scored their four first-inning runs after two were out - on a two-run double by Morris and a two-run homer by Santiago.

They scored three more in the fifth to make it 7-0 and kept a crowd of 44,199 — more than 10,000 short of capacity — fairly quiet the rest of the way. Barry Larkin and Ron Gant

hit one-out singles in the first before Reggie Sanders fouled out. Morris then sliced a 1-2 pitch to the left-center field gap, and Santiago followed by hitting a 2-1 pitch into the left-



Tony Pena celebrating his 13th-inning homer that won the longest postseason game ever.

# The Sweet Swing of Nasty Albert Belle

By Ira Berkow New York Times Service

CLEVELAND — The man in the batter's box in Jacobs Field took a swing at the baseball with an economy of motion and a power of execution that was nearly startling. The ball rocketed over the left-field fence virtually before the outfielder had a chance to blink, let alone take a step. This was Albert Belle, the sometime enfant terrible, whacking his 50th home run of the season, his 17th September, tying Babe Ruth's record for the month, and his 31st in the last two months,

Tortots 34 4 13 4 5 3
Afficiants 981 982 911—5 12 1
Colorado 989 399 918—4 13 4
E—Justice (1), Giannell (1), Burks (1), Costillo (1),
Ritz (1), LDB—Aliente & Colorado 11, 28—Gressom (1), Eyoung (1), Burks (1), Costillo (1),
HR—Costillo (1) off GAladdiur Grissom (1) off Ritz CoJones 2 (2) off Ritz Leskonic, Ribs—Grisalso a major-league record. 51/3 7 3 2 2 4 103 3.38 1 1 0 0 1 1 12 0.00 the shoulder and ends by flattening the object of choice. When Belle hit No. 50 on

Saturday, the sellout crowd of

41,578 stood and cheered as he brimming with talent, Belle. 1990, he played only nine games muscle, indicating that he's rounded the bases with the solo, game-tying shot, chanting "M-V-P, M-V-P," accompanied by

a tintinnabulation of cow bells. for Albert has his own agenda," the dugout to congratulate and Mike Hargrove, when asked pummel him, and not neces- about the league's most valusarily in that order. The fans, able player candidates. Belle, sublimely unconcerned with the Indians' left fielder, and Mo Belle's reputation for a hot temper and a coldness to the news baseman, are the two leading media, continued their show of candidates for the award appreciation for so long that he Frank Thomas is also in con- various fixtures such as toilets was forced to take two curtain tention, but his White Sox, uncalls and Manny Ramirez, the like Cleveland and Boston, are next batter, had to step out of not. Belle, meanwhile, has hit the box several times before the more home runs than Vaughn fans got under control.

The Indians went on to win Albert Belle, at 6 feet 2 inch- by 3-2 in extra innings, nothing him for the league lead in runs es (1.87 meters), 210 pounds special since they had the best (95 kilograms), hits the way Joe record in baseball, ending the Louis punched. His short, swift strike-abbreviated 144-game stroke is like a blow that starts at season with 100 victories, 56 games over .500 and 30 games ahead of the nearest Central Di-

vision rival, Kansas City. And while this is a team bellwether.

His teammates piled out of said the Indians' manager, (50-39) has a higher batting av-

> batted in with 126. And the two met on the same field Tuesday, when the Red Sox racial epithets, and once for hav-fell to Cleveland, 5-4, in the first ing a corked bat, though he said game of their American League playoff series.

Hargrove's comment about those with their "own agenda" was a less-than-veiled reference to the news media, from which voters for the MVP award are drawn.

About his chances, Belie said: "It will be tough." And then, with a touch of irony, added, "I'm not really considered a media darling.

abrupt and abusive to reporters and others. When he was a star at Louisiana State University he was suspended from the team was called up to the Indians in ball out of the park."

pardon the expression, is the before going into rehabilitation plenty strong enough to hit for an alcohol-abuse problem "Anybody who doesn't vote for the rest of the season.

In 1991, he again started the sent down to the minors for 16 which included an inclination Vaughn, the Red Sox's first to not run out batted balls. He also was famous for tearing up the dugout, the clubhouse and and sinks when miffed at someone or something, including himself for, say, striking out. He was suspended by the league four times, twice for Julian Tavarez, sending the erage (.317 to .300) and tied charging the mound when hit by

> bats without his knowledge. What is unquestioned about 11th. Belle is his ability to hit a baseball, and his work ethic in this Clemens was sharp at first, area. The Indians must be sarisfied that they are getting their until Belle hit a two-run double money's worth from him, which is \$4.2 million this year, with an option of \$5 million on

his services for next season. Kansas City pitcher, said: "He has a very good idea of what he Yankees 9, Mariners 6: In Belle, 29, is noted for being has a very good idea of what he wants when he comes up to the the first Yankees playoff game plate. A few weeks ago I in 14 years and the first in Seat-thought I had him fooled on a tle Mariners history, there was pitch, but he was thinking right more tension in the middle infor temper outbursts. When he along with me, and bombed the nings than there was at the end

# Pena's 2-Out Home Run In the 13th Beats Boston

The Associated Press

CLEVELAND — At exactly Wednesday, Tony Pena hit one of those home runs that should have been heard 'round the

But even if most of the United States was sound asleep, Pena will cherish it forever. You never know when

you'll have a moment like Pena said after his home

#### AL PLAYOFFS

run with two outs in the 13th inning ended the longest game tory over the Boston Red Sox. It was an incredible finish to the Indians' first postseason game in 41 years, a game that summed up all the drama they'd offered their fans all year with 27

victories in their last at-bat. Pena, who had entered the game in the 11th inning, raised his arms in triumph when he realized his hit off Zane Smith had cleared the railing of the bleachers in left. He was mobbed by his teammates after he crossed the plate.

They haven't hugged me like that the whole year," said Pena, a former Boston catcher (1990-93) who homered only five times this season.
"Tonight was my time."

The game lasted five hours and one minute, not counting two rain delays that extended it by about an hour. The Mets and Astros played a 16-inning game in the 1986 playoffs, but it didn't take them as long.

The Red Sox added some intrigue by having Albert Belle's bat confiscated after he homered in the 11th inning. Belle, who was suspended for seven games last year for using a corked bat in Chicago, was cleared this time by American League officials who cut his bat in half and found it to be clean. Belle led the majors with 50

home runs this year, and he didn't take the accusation kindly. He pointed to his biceps home runs, and shouted angrily toward the Boston dugout.

"It's just a desperate effort to season with the Indians but was throw a monkey wrench in our season," he said later. "You hit games because of what the club 50 home runs, and they think called an attitude problem, you use a corked bat. I don't need to use corked bats. I take pride in how strong I am, how much power I generate."

All four of Boston's runs seattle came on home runs. John Valentin hit a two-run shot off Dennis Martinez in the third inning, and Luis Alicea led off Martinez is a support of the suppor the eighth with a home run off

Butner of Butn inning, and Luis Alicea led off game to extra innings tied at 3.

a pitch, once for throwing a ball into the chest of a fan who, he said, was peppering him with Boston a 4-3 lead that Belle erased with his leadoff blast off ing a corked bat, though he said Rick Aguilera in the bottom half. someone had "messed" with his bats without his knowledge.

Aguilera left the game because of a pulled muscle later in the

starter Boston blanking the Indians on two hits in the sixth. Eddie Murray drove in Belle with a single. Clemens lasted seven innings, allowing three runs and five hits.

Mark Gubicza, the veteran Martinez went six innings, giv-

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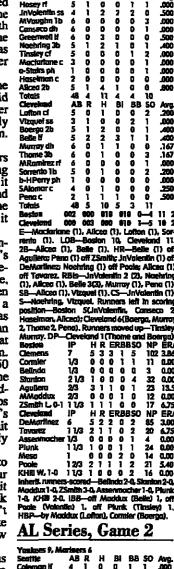
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After David Cone walked in the tying run in the sixth, the 2:08 A.M. in Cleveland on Yankees came back with two runs for a 4-2 lead. After Ken Griffey Jr. hit his second homer of the night in the seventh for a 4-4 tie, New York broke it open in the bottom of the inning with four more runs.

Bernie Williams had an RBI double over Griffey's head in center, Paul O'Neill hit a sacrifice fly, and Ruben Sierra hit a two-run homer that sent a sellout crowd of 57,178 into a frenzy.

"I can honestly say it was the most amazing crowd I've ever seen." Cone said. "There were in postseason history, giving no boos and they always started the Cleveland Indians a 5-4 vicgave up and they sure helped me in that one inning when I was a little wild. That was huge."

#### AL Series, Game 1



Totalis 36 9 13 9 2 2

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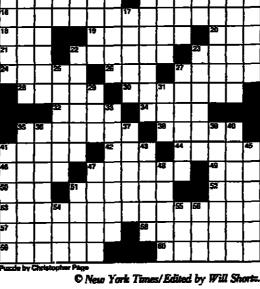
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Soviet plastic, guests in the 11 rooms

have access to the private beach and

forest and even to Stalin's small, oval

indoor pool, which was filled with

seawater trucked here and then heated

They can see his office, where he

liked to drive a nail into the paneling

on which to hang his hat, and they

may sit on a couch next to a waxwork

for him.

#### ART BUCHWALD

# Political Panhandling

WASHINGTON "Knock, knock."

'Who's there?' fund-raiser. We sent you a des- again perate letter and you never anican are you?"

you can give to defend the country from Washington." "Are you interested in sav

ing the flag from being burned putting God back in the public schools, bringing the death penaity back for welfare

mothers and ensuring

that everyone in the country can carry a concealed weapon? "'What do you think \$100 ing my son's tuition to college and donating a little something you would be lucky to get a seat to my pension fund."

in favor of abortion?" "Who said anything about large enough to guarantee your-abortion? I'm just trying to save the barn, and if I keep giving to the PACs I'll wind up looking Trance." for a government handout."

"Give us \$1,000 for a so-so

Ancient Statue Surfaces

ALEXANDRIA. (Reuters) — French archaeol-ogists rescued a piece of Greco-everyone has been buying ac-Roman statuary over 1,500 cess. I think we could squeeze years old on Wednesday after a you into a committee chairyear of exploration off the site man's waiting room for of the ancient Pharos Light- \$25,000."

house. The red granite statue is a to my congressman."
coman's torso. Two blocks be"O.K. For \$1,000, we'll let woman's torso. Two blocks believed to be from the lighthouse itself were also found.

table at Newt Gingrich's birth-day ball and we'll make sure that an X-rated movie will nev-"Your friendly political er play in your neighborhood

If I give you the money swered it. What kind of Amer- then I'll have to buy a table for Hillary Clinton's bake-off at "I'm a good American, but Sidwell Friend's school. Isn't I'm broke. There is just so much there a better way to finance our elections and select our lead-

"That would require election reforms and the country can't afford them. Suppose I made a package deal for you. For \$10,000 you jog in the morning with Bill Clinton, go to a prayer breakfast with Phil Gramm, ex-change one-liners in the Senate cloak room with Bob Dole and

istered lobbyists." "I appreciate the offer, but can I only send in a check for \$100?

help General Powell autograph

his book at Borders. It's the

same deal we're offering reg-

on a bench in Lafayette Park. Does this mean that you are When you donate to a PAC you must be certain that the sum is

> "If I give to a politician, won't I be buying his vote?" "No, all you will be buying is access to him at the Hard Rock Cafe so that you can explain your side of the story."
> "How much will this access

'I don't have \$25,000 to talk

you leave a message for him on his answering service."

# Stalin's Secret Hideaway Is Open for Business

By Steven Erlanger New York Times Service

COCHI, Russia - In the green hills chandeliers and a balcony with a view Overlooking the long pebbled of the Black Sea, for \$140 a night. beaches of Sochi, Russia's beloved "We avoid advertising, because Black Sea resort, Stalin still watches those who need it know about it," from his once-secret dacha, surrounded by the California pines he im- guide who has worked here for two ported to disguise his hideaway from years. prying eyes or offshore artillery.

Stalin is still here, but as a waxwork. His pockmarked skin is smoothed over but there is some stubble at the base of his neck.

His dacha is now open for business. sort of, as a quietly maintained hotel for the well-connected of the new semi-capitalist Russia.

Built in 1937 and expanded for the last time just before Stalin's death in 1953, the dacha is set around a pretty courtyard surrounded by palms, cypresses and pines.

The architect had built a small pool in the middle, to seem like a bubbling spring, but the night before Stalin's first visit here, his chief bodyguard ordered it covered with sand and turned into a flower bed. Stalin, it seems, hated fountains as much as he loved cowboy movies, billiards and

After the suicide of his wife, Nadezhda, in 1932, Stalin led a bizarre and lonely life, up most of the night with his collection of frightened Politburo colleagues. He forced them to sit through repeated movies and long drunken dinners, and even to dance with one another while he

Of Stalin's many dachas, this one, near his native Georgia, was where he chose to recuperate from a minor stroke for three months in the autumn

The building has a private movie theater, its oak floors now buckling, and a billiards room with the original table, its polished brass pockets lined in cracking red rubber.

When Stalin was in residence in these cool, beautiful rooms, paneled in oak, chestnut and beech, no employee was allowed to leave, and a special wing was built for his many bodyguards.

Today, if the director approves, it is Stalin and wonder how it all went so economy. possible to rent a large one-bedroom

suite, with original paneling, brass Some recent guests, Gargulinskaya said, have included important officials like Defense Minister Pavel S. 'We avoid advertising, because Grachev, Foreign Minister Andrei V. Kozyrev and the chief of staff, Sergei

said Svetlana Gargulinskaya, 24, a A. Filatov, In July, President Leonid Kuchma of Ukraine stayed here when he met President Boris N. Yeltsin, whose

own favored dacha is not far away. With the Crimea now belonging to Ukraine and gorgeous Abkhazia try-ing to secode from Georgia, the Sochi coast is the only seaside resort left to

collapse, Sochi and its nearly 200 resorts, hotels and sanitariums have been nearly full this year and some

choice has been good advertising for he said gingerly. "But we're working Sochi," said Yelena Krokhva, ser-on it very hard." vice director for Dagomys, a resort of more than 1,000 rooms.

it is more than 90 percent full, even though more Russians - one in 15 last year — have chosen to travel

Though a monument to the Soviet taxes, said Alexander Davidenko, an love of concrete, the ziggurat-like aide to the mayor. Dagomys has much to offer: a large indoor sea-water pool, an outdoor For the first time since the Soviet pool, a beach, sports facilities and a casino --- at \$50 a night for a double

Under the pressure of the market, new ones have opened, another sign of the growing stability of the Russian gachev said. "We haven't fully aban-

"President Yeltsin's doned our Soviet habits of service."

Still, when Dagomys floundered, its privatization was reversed, and it is In the 1993-1994 season, said the now part of Yeltsin's lavish presgeneral director. Alexander Lo- idential apparatus. His dacha is less gachev, Dagomys was only 30 per-cent full at the season's height. Today many of his guests stay at Dagomys at

discount prices. Yeltsin has helped in other ways The city of Sochi pays no federal taxes and only 30 percent of regional

Sochi's beachfront, with its Stalinera neo-Grecian temples dedicated to the health of the common man, is being repaired and updated, with private restaurants, clubs and even a big

But Russia's new rich are flocking instead to Sochi's newest resort, the Radisson Lazurnaya, 300 rooms in Western style and at Western prices.

Built from the 17-year-old concrete shell of an unfinished hotel. almost 50 percent of the resort is owned by Gazptom, Russia's naturalgas monopoly, with the rest held by two Turkish firms and the city. Radisson Hotels has a 20-year management contract, but there are already moves afoot to push them out after two

Mstislav Kuznetsov, a muscled young man sitting at poolside with his girlfriend, said they came for the weekend with friends. "It's classy here," he said. "You're treated well."

Some of Radisson's competitors admire the decor but think the hotel won't make it the prices are too steep, they say, the site is too close to highway, the economy may

Even so, it is always possible Yeltsin will decide the presidency needs another nice hotel here, especially if Gazprom turns up the pres-

Asked what Stalin might think of Sochi if he could see it these days, Gargulinskaya, the guide, shook her

"He's dead," she said. But hardly

Russians flock to the water slide at a hotel complex as tourism in the Black Sea resort of Sochi revives.

#### **POSTCARD**

### Drought Makes for Hard Times on Texas Ranches It's official: Madonna will play the title Irole in a film adaptation of the musical

By Allen R. Myerson New York Times Service

DRESIDIO COUNTY, Texas — With yips, hollers and whistles, with several smart slaps on their cowhide riding chaps, nine cowboys herded 800 bellowing head of cattle into the corral at the Hester Brite

ranch here one recent morning.

Cattle hooves, horse hooves and boots skidded and stuck in the mud as the cowboys, brandishing whips and prods, cut the calves. The calves, about 400, were then

bound for winter wheat pastures. In the faceless agriculture of today, where most plants and animals are processed as mechanically as cement, many West Texas ranchers still round up livecombination of ritual and festivity as did with less than 3 inches until a storm the day

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their grandparents. But this year, the forces of international commerce and corporate since, the ranches have still had only about agriculture are combining with the elemental constraints of a drought to deny them a cent of profit from their labors. "This is going to be a bare, get-by year," said Jack Lynch, the husband of the ranch's

The drought has left his calves underweight and has forced the ranch to cut back the herd to save on feed costs. The 20 heifers wedged into a cage on the scales cows into different pens from their bawling came to only 436 pounds (about 200 kilograms) each, he noted, about 110 less than 65 cents a pound for heifers, 70 cents for steers, is the lowest, adjusted for inflation. since the mid-1970s.

The drought, in Texas and New Mexico, had left this area, which normally receives stock for sale in the fall with the same 12 inches (32 centimeters) of rain a year,

WEATHER

bon, Rome and Munich, win have a spell of dry, branqui weather this period. Most areas will be warm. London and Copenhagen will be mild, but guest winds and showers are likely over the weekend. Parts of Scandi-navia will have heavy rain.

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Asia

Forecast for Friday through Sunday, as provided by Accu-Weather

half as much rain this year as normal.

By forcing ranchers to sell more cows for meat instead of keeping them for breeding, the drought has aggravated the in-dustry's cyclical glut. "They're liquidating cows, and that adds pressure," said Chuck Lambert, an economist with the National Cattlemen's Association. Supplies won't peak until 1997, he said.

With great reluctance, the Lynches plan to cull their herd by 100 cows, they said. Some ranchers are trying to fight back businesses long ago took for granted. The Lynches sell most of their cattle into a Certified Hereford Beef program, which bestows a brand name to assure restaurant diners and grocery customers of uniform quality. Ranchers hope such tactics can bring back higher prices.

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# **PEOPLE**

"Evita," about the fiery wife of the late Argentine leader Juan Domingo Perón, the producers announced. Alan Parker will direct the film, to be shot in Europe and South America, and Jonathan Pryce and Antonio Banderas will co-star. The film is based on the musical written by Andrew Lloyd Webber and Tim Rice.

Russell Means, the American Indian activist, broke out with a yell when he was told that his daughter Tatewin is the new Miss South Dakota Teen USA. "She's the first Indian to win a pageant, to win anything, in the most racist state in the Union. He is currently on a book tour to promote his autobiography. "Where White Men Fear to Tread."

The Right Livelihood Award, a Swedish award of \$250,000 given annually to people or causes overlooked by the Nobel Prize committee, will be shared by the Serb Civic Council of Sarajevo; the Hungarian Foundation for Self-Reliance and its founder, Andras Biro, who have led the fight to defend Gypsy rights; Thai intellectual Sulak Sivaraksa; and Carmel Budiardjo, an Indonesian activist who has campaigned on behalf of the people of East

British actress Julia Ormond will star Hoeg's best-selling "Smilla's Sense of the story of a Greenland woman investigating the mysterious death of an Eskimo boy. Denmark's Bille August, whose movie "Pelle the Conqueror" won the 1989 Oscar for best foreign film, will direct the \$30-million film, to be made in Copenhagen and Greenland..

A newly found recording of a Paul Robeson concert in Moscow in 1949 that was taken from the Russian state archives has been issued on compact disc and includes his classic "Ol" Man River." Robeson, who also sang in Yiddish, made a point of praising Jewish heritage during the concert, which was held at the beight of a Stalin campaign against Jews. Robeson's career suffered due to his political activity, which tone of your magazine and the high per-retary.



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"Evita" crew: Andrew Lloyd Webber, left, and Tim Rice with Madonna.

Republican New York Representatives Susan Molinari and Bill Paxon, the only in a film based on Danish author Peter married couple in Congress, are expecting a child who should arrive just in time for the holiday recess.

Snoopy - World War I flying ace, surgeon, lawyer and aspiring author - is the quintessential Renaissance beagle, a dog who shows no signs of aging, despite 315 in dog years). The milestone was marked at the Smithsonian Institution, performers dance his role. where someone in a Snoopy suit shared a birthday cake with 100 elementary school

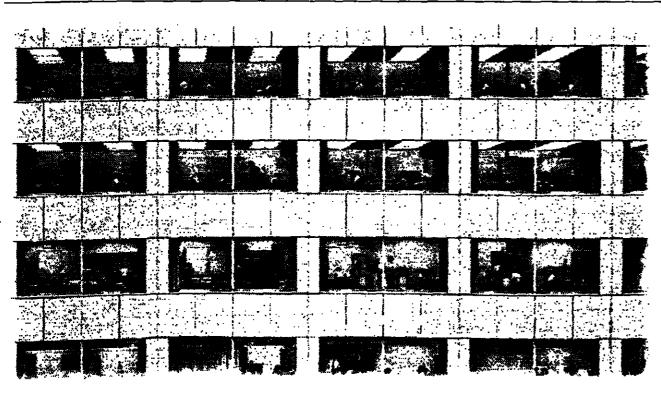
included opposition of the Cold War. He died in 1976.

centage of inaccuracies regarding myself. I hereby respectfully withdraw from Entertainment Weekly." she wrote.

Vince Gill was chosen as entertainer of the year at the second Country Radio Music Awards. The awards were broadcast live to 250 radio stations by the Entertainment Radio Network and fans voted by dialing an 800 number.

Torumy Tune broke his foot while performing in Florida in the Broadway-bound the fact that on Monday he numed 45 (or musical "Busker Alley" but he still plans to act and sing in the show while two

Adua Veroni Pavarotti, wife of opera superstar Luciano, denied the couple was divorcing and rejected as "absurd" media Oscar-winning actress Geena Davis has reports that she was seeking 80 percent of had it and wants out of any coverage in his wealth. He had already denied reports Entertainment Weekly. "As a result of the of a romantic involvement with a sec-



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